Education for Profit and Tax Exemption

Class consciousness is, perhaps, nowhere more clearly or more amusingly manifested by the rich than in education. In no other sphere of pseudo-philanthropic activity is it more apparent that the rich, in escaping taxation by the expedient of creating tax-immune endowments, are merely transferring the money from one of their many capacious pockets to another.

Most private money earmarked for higher education is given, in the first place, to schools that belong rather exclusively to the rich. Albert N. Ward, president of Western Maryland College, in 1930 surveyed the endowments of four hundred privately supported institutions of higher learning and reported the conclusion that ten belonging to the very wealthy, catering to seventeen per cent of the national student body, held forty-three per cent of the recorded educational endowment; ninety belonging to the upper middle class, catering to forty-two per cent of the national student body, held thirty-eight per cent of the recorded endowment; and three hundred belonging to the lower classes, catering to forty-one per cent of the national student body, held only nineteen per cent of the recorded endowment.

Left out of consideration by Dr. Ward were state and municipal institutions, the so-called public colleges and universities. With very few exceptions these institutions are indirectly controlled, through the medium of the political machines whose phantom directors we have observed in furtive action, by the same persons that control the private institutions. The backbone of education in the United States is the tax-supported public school system, of course; the rich become active in educational affairs only when it comes to taking the product
of the public secondary school and forging it for special uses in the
privately endowed or politically controlled college and university.

According to Federal government figures, in the school year 1933–34
there were 20,880,120 students in public elementary schools compared
with 2,382,251 in private elementary schools (largely parochial); there
were 5,715,608 students in public secondary schools compared with
380,880 students in private secondary schools (in part parochial); but
there were only 529,931 students in public higher educational insti-
tutions compared with 525,429 in private higher educational institu-
tions (of which few were parochial). If we exclude those training
to be teachers, there were vastly more students in the private higher
educational institutions, 518,578 to 400,598.

The public universities and colleges will not concern us here, how-
ever, although the general remarks applicable to the social bias of
private schools are applicable in only slightly less degree to the po-
litically controlled public schools.

The twenty universities and technical colleges with the largest
endowments (accounting for more than seventy-five per cent of the
entire private higher educational endowment of more than seven
hundred institutions), and their managing and donor groups, are as
follows:

<table>
<thead>
<tr>
<th>School</th>
<th>Managing group and principal donors</th>
<th>Endowment (latest figures)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Harvard University</td>
<td>J. P. Morgan management. Largest donor: Standard Oil (Whitney, Harkness, Rockefeller); various other wealthy donors, including George F. Baker, Sr. ...................</td>
<td>$129,000,000</td>
</tr>
</tbody>
</table>
3. Columbia University


4. University of Chicago

Rockefeller management and principal donation. Smaller donors: Field, Ryerson, Swift, Yerkes, et al. .................................................. 65,389,498

5. University of Rochester

George W. Eastman (kodaks), donor. .......................... 58,008,103

6. University of Texas

Various donors. .................................. 33,642,546

7. Massachusetts Institute of Technology

Du Pont management; Eastman-Du Pont donors. .......................... 33,000,000

8. Stanford University

Southern Pacific Railroad and California public-utilities management; Leland Stanford donor. .................................................. 32,000,238

9. Duke University

Duke management and donation (tobacco and public utilities). .................................................. 30,880,031

10. Cornell University

Rockefeller management; various wealthy donors. .................................................. 30,311,743

11. Princeton University

National City Bank management; Taylor, Pyne, McCormick, Dodge donors. .................................................. 26,929,810

12. Johns Hopkins University

Morgan influence predominant on board; various wealthy donors. .................................................. 26,934,827

13. Northwestern University

Methodist Church management; Deering family (International Harvester) largest donor; other donors Patten, McCormick, Ward. .................................................. 21,782,482
School | Managing group and principal donors | Endowment (latest figures)
--- | --- | ---
15. University of California | Crock, Giannini, Fleischacker, Hearst, and Doheny donors and management. | 20,228,414
16. Vanderbilt University | Vanderbilt donation plus some smaller donations. | 20,000,000
17. University of Pennsylvania | J. P. Morgan management; Morgan, Drexel, Widener, Clothier, et al., donors. | 18,998,279
18. Oberlin College | Various donors. | 18,149,822
19. Dartmouth College | Various wealthy donors. | 17,239,839
20. Carnegie Institute of Technology | Mellon management; Carnegie donation. | 16,369,382

All the foregoing are upper-class schools in that they (a) cater to the offspring of the upper classes or (b) aim to turn out graduates that will be, regardless of their class origin, of pecuniary value to the upper class in the economic exploitation of American society: lawyers, accountants, physical scientists, engineers, salesmen, business executives, etc. It is noteworthy that the private schools, as a rule, have little interest in training teachers.

A review of this list of leading endowed institutions of higher learning readily brings to mind their importance in contemporary life. With the exception of a few publicly supported institutions like the University of Wisconsin, the University of Michigan, and the University of Minnesota, these listed are the top-ranking institutions of learning of the United States.

The direct management and support, by wealthy private families, of institutions of higher education extends, to be sure, far beyond the confines of the list just given. The University of Pittsburgh (endowment $2,314,225) is under Mellon control; Colgate University (endowment $6,700,000) is under control of the shaving-cream and toothpaste family; Drexel Institute (endowment $3,330,730) is under the
Drexel family (Morgan); Lehigh University (endowment $5,400,000) is supported by various steel and industrial interests; and both the more and the less opulent of the rich families subsidize and dominate an assortment of institutions that includes Brown University, Amherst College, Williams College, Rensselaer Polytechnic Institute, Oglethorpe University, Case School of Applied Science, Rutgers College, Antioch College, California Institute of Technology, St. Lawrence University, Syracuse University, Stevens Institute of Technology, Worcester Polytechnic Institute, and many others.

All these schools are adjuncts, or departments, of the big corporations and banks, and are more or less openly operated as such. This is evidenced in many ways, but mainly (a) by the identities of trustees, most of whom are men engaged in pecuniary pursuits as deputies of the great fortunes or are in person the ruling heads of the great fortunes; (b) by the composition of the investment portfolios of the institutions themselves; (c) by the curricular emphasis upon studies of direct pecuniary value to the wealthiest estates, studies embracing, in the main, the physical sciences and problems of business administration as well as the professional pursuits; and (d) by the recurrent official pronouncements of the presidents of the institutions on behalf of the political, economic, and social status quo.

Professor Jerome Davis, surveying the occupational status of the trustees of the twenty-seven institutions of higher learning with endowments of $10,000,000 or more, brought out that of 659 trustees, 254 are bankers, 141 are merchants, 111 are public-utilities operators, 63 are railroad operators, 153 are professionals (whose presence affords protective coloration), 22 are judges, representatives of the two dominant political parties, and 7 fall into miscellaneous classifications. Seventy-two are classifiable in more than one category.

The breakdown of the occupational status of college trustees, given by Professor Davis (Capitalism and Its Culture), for these twenty-seven institutions with endowments of $10,000,000 or more follows:
The aggregate endowment of these institutions is slightly more than $800,000,000, as compared with $1,150,000,000 approximate total endowment of all private colleges and universities; but a great deal of wealth is also held in the form of untaxed land, buildings, and equipment. The total value of endowment and other property of all the private colleges and universities is about $2,500,000,000.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Harvard</td>
<td>33</td>
<td>12</td>
<td>6</td>
<td>4</td>
<td>4</td>
<td>9</td>
<td>2</td>
</tr>
<tr>
<td>Yale</td>
<td>20</td>
<td>10</td>
<td>5</td>
<td>5</td>
<td>2</td>
<td>8</td>
<td>1</td>
</tr>
<tr>
<td>Columbia</td>
<td>23</td>
<td>9</td>
<td>5</td>
<td>-</td>
<td>3</td>
<td>4</td>
<td>-</td>
</tr>
<tr>
<td>Chicago</td>
<td>30</td>
<td>11</td>
<td>5</td>
<td>2</td>
<td>2</td>
<td>6</td>
<td>1</td>
</tr>
<tr>
<td>M. I. T.</td>
<td>48</td>
<td>21</td>
<td>23</td>
<td>20</td>
<td>8</td>
<td>10</td>
<td>-</td>
</tr>
<tr>
<td>Rochester</td>
<td>25</td>
<td>10</td>
<td>6</td>
<td>4</td>
<td>-</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td>Stanford</td>
<td>31</td>
<td>14</td>
<td>4</td>
<td>11</td>
<td>-</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Texas</td>
<td>10</td>
<td>3</td>
<td>-</td>
<td>2</td>
<td>1</td>
<td>6</td>
<td>-</td>
</tr>
<tr>
<td>Johns Hopkins</td>
<td>18</td>
<td>8</td>
<td>3</td>
<td>6</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Princeton</td>
<td>34</td>
<td>17</td>
<td>5</td>
<td>2</td>
<td>5</td>
<td>12</td>
<td>-</td>
</tr>
<tr>
<td>Cornell</td>
<td>30</td>
<td>12</td>
<td>5</td>
<td>10</td>
<td>-</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>Northwestern</td>
<td>10</td>
<td>7</td>
<td>4</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Duke</td>
<td>36</td>
<td>5</td>
<td>5</td>
<td>-</td>
<td>-</td>
<td>9</td>
<td>1</td>
</tr>
<tr>
<td>Vanderbilt</td>
<td>31</td>
<td>14</td>
<td>4</td>
<td>3</td>
<td>9</td>
<td>10</td>
<td>2</td>
</tr>
<tr>
<td>Washington U.</td>
<td>(St. Louis)</td>
<td>18</td>
<td>5</td>
<td>7</td>
<td>3</td>
<td>3</td>
<td>-</td>
</tr>
<tr>
<td>Oberlin</td>
<td>24</td>
<td>2</td>
<td>3</td>
<td>-</td>
<td>-</td>
<td>14</td>
<td>-</td>
</tr>
<tr>
<td>California</td>
<td>17</td>
<td>11</td>
<td>-</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Carnegie Institute</td>
<td>36</td>
<td>15</td>
<td>16</td>
<td>10</td>
<td>3</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Dartmouth</td>
<td>12</td>
<td>8</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>4</td>
<td>-</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>40</td>
<td>10</td>
<td>6</td>
<td>6</td>
<td>4</td>
<td>17</td>
<td>3</td>
</tr>
<tr>
<td>Western Reserve</td>
<td>11,468,225</td>
<td>24</td>
<td>10</td>
<td>8</td>
<td>2</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Minnesota</td>
<td>10,687,421</td>
<td>12</td>
<td>3</td>
<td>-</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Brown</td>
<td>10,630,797</td>
<td>49</td>
<td>16</td>
<td>10</td>
<td>5</td>
<td>3</td>
<td>15</td>
</tr>
<tr>
<td>California Inst.</td>
<td>of Tech.</td>
<td>10,500,000</td>
<td>15</td>
<td>5</td>
<td>3</td>
<td>6</td>
<td>1</td>
</tr>
<tr>
<td>Virginia</td>
<td>10,311,996</td>
<td>10</td>
<td>5</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Tulane</td>
<td>10,060,952</td>
<td>17</td>
<td>7</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Rice Inst.</td>
<td>10,000,000</td>
<td>6</td>
<td>4</td>
<td>2</td>
<td>1</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

| Total             | 659     | 254    | 141    | 111    | 63    | 153   | 22     |
The predominance of bankers and other money-motivated persons on the boards of trustees does not seem unusual to the average unsophisticated American, who is accustomed to the situation. But in no other civilized country is this barbarous phenomenon observable. In England, for example, the universities are autonomous, self-governing bodies.

J. McKeen Cattell, in his authoritative University Control, says:

The historic English universities, Oxford and Cambridge, have been primarily groups of independent colleges. The masters and fellows are the college; they own the buildings and endowment and divide the income among themselves. They elect their colleagues and successors and of course their head. The headship is an honorary and social position with but few executive powers or duties. Government is by town meeting and committee. There have been abuses of the monastic system, and perhaps even now too much time is spent on details of management. But high standards of scholarship and conduct have on the whole been maintained. From among the resident fellows and from the students great men have been forthcoming in every line of activity. Probably half the leaders of England in statesmanship, scholarship, science, poetry, have come from its two universities, having together no more students than one of our larger institutions; and England has produced more great men than any other nation.

The universities of Oxford and Cambridge, as distinguished from their colleges, have long had a few endowed professorships and have conducted libraries, but until recently they were essentially degree-conferring institutions. They are administered by councils elected by the resident teachers, but the ultimate control is vested, as is becoming, in the masters of art. The Church of England clergy have perhaps had more influence than is desirable, but their interference has in the main been confined to prescribing the conditions for the degree. In any case it is only a temporary phase, and a certain amount of conservatism is not so bad for a university. It would seem quite absurd to invest the ultimate control of Oxford and Cambridge in a self-perpetuating board, consisting of a score or larger crowd of business and professional men. The chancellorship is an honorary office, without executive power or influence. . . . The professors are usually nominated by boards of electors, consisting of men of distinction in the subject or in related subjects, partly from the university and partly from outside. I have never heard of the expulsion of a fellow or professor. That a professor's salary should depend on the
favor of a president or that he should be dismissed without a hearing by a president with the consent of an absentee board of trustees is a state of affairs not conceivable. . . .

As control of the colleges and universities in America slipped from the hands of the clergy after the Civil War, the pecuniary element eased itself into dominance. The overwhelming presence of bankers as trustees and regents became only logical, however, once the inner pecuniary motivation of the American university was granted, because the endowments, in combination with the philanthropic foundations and church endowments (supervised by essentially the same persons), conferred upon the trustees a large amount of industrial control and voting power as well as strategic supervision over research and studies. The university endowments are really instruments of industrial as well as social control; and, like other endowments, are tax-exempt, making possible an ever-enlarging concentration of authority in the hands of the rich.

The philanthropic character of the privately endowed institutions is, however, doubtful. One can raise the issue in many ways, but at this juncture let it merely be noted that, according to Federal statistics for 1933-34, no less than 47.2 per cent of the income of private establishments came from student fees in contrast with 16.7 per cent of income from student fees in public universities and colleges. Endowment produced only 22.7 per cent of income for the private institutions. Gifts and grants brought in 11.2 per cent of income. In the case of the public institutions grants from state and municipal governments accounted for 56.8 per cent of income.

Among the overseers of Harvard University are Henry Sturgis Morgan, son of J. P. Morgan; George Whitney, Morgan partner; Charles Francis Adams, Boston banker, director of various properties and father-in-law of Henry Sturgis Morgan; Walter S. Gifford, president of the American Telephone and Telegraph Company (Morgan); Elihu Root, Jr. (Morgan); George R. Agassiz, copper magnate; Albert A. Sprague, head of Sprague, Warner and Company, wholesale grocers; Gaspar G. Bacon, son of a former Morgan partner; and Walter Lippmann, exponent in journalism of various approved Morgan themes.

Among the trustees of the Yale Corporation are S. H. Fisher,
director of the New York Trust Company (Morgan), various Rockefeller companies, and the Commonwealth Fund (Harkness); Howell Cheney, member of the silk family; Mortimer N. Buckner, president of the New York Trust Company (Morgan); F. Trubee Davison, son of a former Morgan partner and brother of a current Morgan partner; and Edward L. Ryerson, Jr., of a Chicago steel dynasty.

Among Columbia University trustees are Marcellus Hartley Dodge (copper and munitions); Stephen Baker, chairman of the board of the Bank of Manhattan; Joseph P. Grace, Grace Lines (shipping); Clarence M. Woolley, chairman of the American Radiator and Standard Sanitary Corporation; Thomas J. Watson, president of International Business Machines Corporation; and Everett W. Gould.

Trustees of the University of Chicago include Edward L. Ryerson, Jr. (interlocking with his Yale trusteeship); James H. Douglas, Jr., partner of Marshall Field in the investment banking house of Field, Glore, Ward and Company; Albert L. Scott, trustee of Spellman College, Atlanta (Rockefeller) and the Riverside Church, N. Y., (Rockefeller); Harold H. Swift, meat packer; Eugene M. Stevens, investment banker; Cyrus S. Eaton, steel magnate; John Stuart, president of the Quaker Oats Company (also a trustee of Princeton University); and Sewell L. Avery, director of the United States Steel Corporation and managing head of Montgomery Ward and Company and the United States Gypsum Company.

Among the Johns Hopkins University trustees are Walter S. Gifford; Daniel Willard, president of the Baltimore and Ohio Railroad; Newton D. Baker, Van Sweringen attorney (Morgan) and former Secretary of War. Among the Leland Stanford University trustees are Harry Chandler, publisher of the Los Angeles Times and a trustee of California Institute of Technology; Paul Shoup, vice chairman of the Southern Pacific Railroad; and Herbert Hoover.

University of Pennsylvania trustees include E. T. Stotesbury, Morgan partner and Republican political-campaign fund collector; George Wharton Pepper, Morgan political figure; Joseph E. Widener; Morris L. Clothier; John E. Zimmerman, president of the United Gas Improvement Company (Morgan); Robert C. Hill, chairman of the Consolidation Coal Company; Edward Hopkinson, Jr., Morgan
partner; A. Felix du Pont; and Eldridge R. Johnson, former owner of the Victor Talking Machine Company. The president of the University of Pennsylvania is Thomas S. Gates, former Morgan partner; the president of Rutgers College is a member of the Clothier family.

On the board of Cornell University sits Charles M. Schwab, creator of the Bethlehem Steel Corporation and personally involved during his lifetime in numerous unsavory episodes such as the selling of defective armor plate to the government, the drawing of extravagant bonuses from his stockholders, and profiteering on war contracts. With Chandler on the board of the California Institute of Technology are Louis D. Ricketts, mining engineer close to the Phelps Dodge interests and once under Federal indictment with Cleveland H. Dodge for attempted alienation of government land, and Henry M. Robinson, Los Angeles shipping magnate and banker. Among the trustees of the University of California are William H. Crocker, descendant of a member of the lawless Crocker-Huntington-Stanford railroad group; Mortimer Fleischacker, San Francisco banker and shipping magnate; John F. Neylan, attorney for the Hearst properties; and A. P. Gianinni, leading California banker and largest stockholder of the National City Bank of New York.

On the one hundred per cent reactionary board of the Massachusetts Institute of Technology are Gerard Swope, president of the General Electric Company (Morgan); W. Cameron Forbes, Boston investment banker and director of the American Telephone and Telegraph Company; Edward S. Webster, of the banking-engineering combination of Stone and Webster; Pierre S. du Pont; Lammot du Pont; John E. Aldred, investment banker; Albert H. Wiggin, former chairman of the Chase National Bank; Alfred P. Sloan, Jr., president of General Motors Corporation and director of E. I. du Pont de Nemours and Company; Philip Stockton, Boston banker; and J. J. Pelley and Alfred E. Loomis, railroad presidents.

Similar personalities dominate virtually all the private university and college boards, and select the academic presidents who dragoon the faculties and give utterance as well to reactionary pronouncements under the ostensible sanction of science and learning, enlightenment, and progress. Without readily perceptible exception, the university
presidents are the drudges of the money lords that lurk behind the boards of trustees.

The American Telephone and Telegraph Company appears to hold more university trusteeships through its directors than any other big corporation; J. P. Morgan and Company appears to hold more than any other banking house; the Rockefeller philanthropic endowments control more than any other so-called philanthropic enterprises. The coalitions of wealth which exercise the greatest direct influence in American higher education are the Morgan, Rockefeller, Du Pont, and Mellon groups.

The University of Wisconsin, of all first-class institutions, alone has resisted, until recently, the domination of finance capital. It has been unique in its refusal of contributions from the Rockefeller foundations, on the ground that such contributions conferred influence over the recipient. It has more recently begun to accept Rockefeller money.

The university trustees of the United States have placed the endowments in the following composite portfolio, which represents seventy-four per cent of the combined investments of all American universities and colleges having more than $5,000,000 of assets (report compiled in 1932 by Wood, Struthers and Company):

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Value</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real estate</td>
<td>$146,931,510</td>
<td>27.4%</td>
</tr>
<tr>
<td>Public utilities</td>
<td>125,646,750</td>
<td>23.4%</td>
</tr>
<tr>
<td>Railroads</td>
<td>99,586,800</td>
<td>18.5%</td>
</tr>
<tr>
<td>Industrials</td>
<td>87,779,010</td>
<td>16.4%</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>30,997,910</td>
<td>5.8%</td>
</tr>
<tr>
<td>U. S. governments</td>
<td>17,757,150</td>
<td>3.3%</td>
</tr>
<tr>
<td>Foreign bonds</td>
<td>13,274,240</td>
<td>2.5%</td>
</tr>
<tr>
<td>Bank and insurance</td>
<td>9,698,160</td>
<td>1.8%</td>
</tr>
<tr>
<td>U. S. municipals</td>
<td>5,024,560</td>
<td>0.9%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$536,606,090</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

The point of chief interest in this tabulation is that holdings of government securities comprised only 4.2 per cent of investments. This might seem strange were it not for the fact that (a) the universities do not need gilt-edged government bonds to escape taxes, since all their income is tax-exempt, and (b) one of the prime purposes of university endowments is to achieve a foothold in industry through
the massed voting power of stocks and bonds and through the inter-locking of boards of university trustees and boards of corporation directors.

As the bulk of their income from investments is derived from private industrial and mercantile enterprises, there is strong economic motivation for the running fire of criticism the universities direct through their presidents against the government on those rare occasions when government moves to hamper bold exploitation of society by the bank-controlled corporations. Their investment portfolios also give the universities an economic motivation for keeping silent at all times when one of the big corporations is exposed as an overtly anti-social force.

The rise of the universities as great financial institutions has closely paralleled the appearance of income, estate, and gift-tax laws. From 1906 to 1928 the property assets of American universities and colleges, including land, buildings, and endowment, rose from $554,000,000 to $2,400,000,000; in the same period endowments rose from $250,000,000 to about $1,150,000,000. Most of the increase came after the war, and represented the plowing back of war profits into tax-exempt areas; the process resembled the huge Rockefeller philanthropic activities of 1917, 1918, and 1919.

The wealthy, in making educational "gifts," have obtained triple value for their money, for usually they have stipulated (the Rockefellers notably so) that the favored institutions raise double or treble the amount of the "gift" before it has become effective. This stipulation has sent academic officials scurrying about to raise money among thousands of less wealthy people in order that the universities might obtain the big single gifts; and the consequence has been to bring extra funds into the endowment from many sources to be represented, of course, only by trustees designated by the biggest donor.

It may be pointed out here that wherever money coagulates in society, and whatever its source, one finds members of the wealthiest families stepping in to assume control by making some additional contribution. This is true whether the purpose of the fund be ostensibly philanthropic, charitable, or artistic. The inner pecuniary motivation is discovered in the nature of the investment vehicle of each particular fund or in the mode of its expenditure. Merely to be able
to designate depositary banks and investment vehicles is highly profitable, even though the directors of a fund do not own it. To be able to purchase materials from companies of one's own choice is also profitable.

Control over the universities has been assured to the rich in many ways, but one effective way has been to space the gifts. Few are the wealthy men that have given to the universities single lump sums; only those who have not sought to perpetuate a dynasty of wealth through heirs—men like Stanford, Eastman, and one or two others—have given very large sums at one stroke. University officials, in the knowledge that more money may be forthcoming after one gift, have been careful that the institutions under their direction should not become involved in social or political controversies distasteful to the donors. Few also have been the gifts the employment of which has been left to the discretion of the educators. The funds given have usually been earmarked for some pecuniary purpose dear only to the donor and irrelevant to a sound educational program. Buildings have often been presented for academically superfluous purposes, and even their location on the campus has been designated by the donors. To obtain certain vast sums the universities have had to create departments in subjects only vaguely related to higher education, but closely related to commercial and industrial profit-seeking.

II

What reason have the wealthy families for intruding as they do in the sphere of higher education? What is their objective?

Since the founding of the colonies the educational system has been a matter of prime importance to the wealthiest citizens of each community, but it was not until nearly fifty years after the War of Independence that free elementary schools for the public were even dreamed of. The free schools came into being largely as the consequence of agitation by urban labor groups; free secondary schools were later won from the dominant elite, and, still later, the free university of the western states.

The rich, however, were always solicitous about educating the young of their own class, and Harvard University, oldest of American institutions of higher learning, was from the first a rich man's
school. Yale and Princeton were similarly rich men's schools from their earliest days. But shortly after the Civil War the faculties of theology, central in the old American college, were gradually undermined by the new departments of physical science, which were invaluable in the spheres of mining and industrial technology. Then the college became the university. The first American university, incidentally, was Johns Hopkins, established in 1876 through the bequest of a Baltimore merchant.

The new industrialists, less fastidious than the predecessor land and mercantile capitalists about the class origins or religious beliefs of students, flung money into higher education and opened wide the gates to young men of ability. They established scholarships to support the discernibly brightest intellects of the poorer classes. Then, as now, the prime interest of the new rulers of America was only in technology, and this was evidenced by the opening of the School of Mines at Columbia College in 1864, and by the founding of the Massachusetts Institute of Technology in 1861, Worcester Polytechnic in 1865, Lehigh University in 1866, Stevens Institute in 1871, the Case School of Applied Science in 1880, Rose Polytechnic in 1883, and Brooklyn Polytechnic Institute in 1889. Soon there were added Armour Institute of Technology in Chicago (later absorbed by Northwestern University), Rensselaer Polytechnic Institute in Troy, and more recently the California Institute of Technology in Los Angeles. The drive for technology led to the creation of elaborate physical-science departments at Harvard under Charles W. Eliot and to the inauguration at Yale of the Sheffield Scientific Institute. Mechanical techniques which would serve the profit motive were in universal demand.

The contemporary university president has made shrewd use of the technological appeal in fund-raising campaigns directed toward men of wealth. Walter Dill Scott, president of Northwestern University, for example, while soliciting contributions in 1924, pointed out that Newton, Watt, Faraday, Maxwell, Huxley, Pasteur, and Lister were all university professors. He drew attention to the fact that Professor Armstrong of Columbia had originated the "feed-back" radio circuit; that Professors Winchell of the University of Michigan, and White of the University of Wisconsin, had evolved the theory of
oil and gasoline deposits which made tremendous expansion of the petroleum industry possible; and that other professors as well had done work of immense profit to the ruling industrialists and financiers.

Dr. Scott could have gone a good deal further and said that all those features of contemporary life styled "progressive" originated in the brains of university professors, whose work has been seized upon by promoters and turned into profits. He could also have said that it had been the dream of many scientific men, especially of Professor James Watt, Scotch inventor of the modern condensing steam engine, that their discoveries would free the human race of hard labor but that, perverted by the promoters, the discoveries had instead intensified hard labor. The raising of these considerations, however, would not have brought in funds.

While the utmost intellectual freedom was given to faculty members preoccupied with the physical sciences and mechanical techniques, and with the law, business, and medical schools, the new industrialists were not long in becoming aware of the menace to themselves of the social sciences, and in moving to protect themselves. Glutted as they were by easily obtained wealth, the industrialists saw no need to criticize, to analyze, or to explore the society that had given them riches. With the problems of farmers, laborers, and middle classes they were not concerned. Their attitude was perfectly expressed by George F. Baker, Sr., during the Pujo inquiry when he said he thought society was pretty good as he found it. More recently the inner attitude of the industrialists and moneyed elite toward the social sciences themselves was expressed by Henry Ford, who from profound conviction said, "History is bunk."

It was in the 1890's that there began a quiet campaign of terror against those members of the university social-science departments whose speculations were considered too bold for the comfort of the profit-making coterie. Earlier, under the theological dispensation, the physical scientists had often been subjected to similar intimidation, but they were now freed, except in backwoods regions, by the new industrial dispensation.

The campaign of the industrialists and bankers against the social scientists—men preoccupied with economics, sociology, history, and
political science—found Richard T. Ely, distinguished economist, placed under fire at the University of Wisconsin and at Johns Hopkins University. John R. Commons, outstanding historian of the American labor movement, was ousted from Syracuse University, which was financed by Standard Oil through John D. Archbold, who recognized the existence of no "labor movement." At Brown University E. B. Andrews was cashiered for espousing "free silver," but by avoiding immediate issues Lester F. Ward, dynamic sociologist, managed to retain his position at the same school although he was, perhaps, the most subversive of all the nineteenth-century American social scientists—subversive, that is, from the point of view of the wealthy beneficiaries of the chaotic status quo.

In 1906 the University of Chicago, academic subsidiary of the Standard Oil Company, ousted Thorstein Veblen, perhaps America's most original social thinker, on the pretext that he had been party to an unsolemnized love affair. Only two years earlier Veblen had published his suavely corrosive Theory of Business Enterprise, and it was obviously this work, and the antecedent Theory of the Leisure Class, that provoked his dismissal. Professor Edward W. Bemis, an economist, who had criticized methods of the railroads, also failed to be reappointed. J. Laurence Laughlin, head of the economics department, publicly professed to have found hidden virtues in John D. Rockefeller and in the established order. At Yale, William G. Sumner expounded laissez-faire economics and at Columbia John Bates Clark taught that the by-product of unfettered capitalism was a rough-hewn justice. Schools and departments were founded in many instances with an expressed ulterior purpose; a wealthy manufacturer, for example, in 1881 founded the Wharton School of Finance at the University of Pennsylvania simply to uphold the theory of the protective tariff.

To attempt an enumeration of the hundreds of professors and instructors ousted from the social-science departments of the American universities and colleges since the 1890's would require too extensive cataloguing. Practically every institution of higher learning, including the pseudo-liberal Harvard, has joined in the witch-hunt, ferreting out nearly every vital thinker in the social sciences. The liberalism of Harvard, it may be remarked, is purely historical and
relative in character, an echo of the day when Eliot enthroned the
physical sciences in defiance of Fundamentalist churchmen. In the
contemporary social context the attitude of Harvard University can-
not be called liberal unless the policies of J. P. Morgan and Company
and the attitudes of Ogden L. Mills and Herbert Hoover are de-
fined as liberal. Mills and Hoover really believe themselves to be lib-
erals, although they fail to explain that they are liberals of the
eighteenth-century Manchester school whose basic doctrine was
*laisséz faire*. This doctrine in the mouths of big capitalists has be-
come merely a justification for Jack-the-Ripper tactics upon the body
of society.

The universities proceed against the independent social thinkers
on two broad theories. One is that professors should have no concern
with questions of the day outside the campus, and the other, that the
offending professors are social revolutionaries. It is highly doubtful
if any of the ousted professors have ever been social revolutionaries,
but it is clear that the issues of the day in which they have “meddled”
concern taxation, labor policies, economic policies, public-utility rates,
and the general rough conduct of the rich toward the rest of society.
The professors, in short, have been reformists, and they have embar-
rassed special vested interests by pointing to the furtive hand in the
public coffer.

However, the argument of the university trustees that the profes-
sors are wandering far afield in taking up problems that lie outside
the campus is dishonest, for no objection is raised when professors of
physical science address conventions of engineers or bankers about
technological and industrial problems, or when professors of surgery
leave the campus to perform some difficult operation. The univer-
sities object to off-campus professorial activity only when it is di-
rected in some fashion against the *status quo* or the privileges of
some vested interest.

The dictum that the academic mind should not concern itself in
practical affairs is, furthermore, called into question by the behavior
of the university presidents themselves, who never fail to throw all
the prestige of their office and their assumed intellectual attainments
both behind the *status quo* and behind the aims of certain selfish
vested interests.
A typical example of a university president who is always making pronouncements on questions of the day, and who is always given flattering attention by the newspapers, is Nicholas Murray Butler of Columbia University. There is apparently nothing that Dr. Butler feels himself incompetent to discuss in public at a moment's notice. It is difficult, after surveying the long record, to believe that Dr. Butler functions so fortuitously at crucial moments without external prompting from nonacademic quarters.

Dr. Butler makes upward of fifty speeches every year, an enormous output for a septuagenarian. If it were not that his speeches, although cloaked in academic language, advance the theories of certain special interests, one might justly describe him as America's greatest busy-body.

Like other university presidents Dr. Butler in his secular talks has wandered very far from the academic groves. In 1935 and 1936 he busied himself with issuing blasts against passage of the proposed child-labor amendment to the Constitution, defending the "right" of children to work. In September, 1936, he decried the "terror" in Seattle during a strike conducted by the American Newspaper Guild, although the competent local authorities denied the existence of any terror and no evidence has since been forthcoming to indicate that there was any. Both in his pro-child-labor and his anti-Newspaper Guild crusade, Dr. Butler appears to have been speaking for the vested estate of newspaper publishers, but as usual he professed to speak on behalf of immutable and universal principles. Of fewer than one million minors employed outside of agriculture, approximately five hundred thousand are employed in the delivery of newspapers.

During the depression of 1929–34 Dr. Butler, now only too obviously a propagandist of social obscurantism, addressed himself to the task of proving that the economic crisis was greatly exaggerated—an imaginative product of the mind; and that reports of the unemployment total by agencies like the Federal government and the American Federation of Labor were several times too great. Scientific findings relative to the maldistribution of wealth he termed radical talk and sheer invention.

Since the advent of an antibanking Administration in Washington, Dr. Butler has consistently decried government "spending," obviously
with unemployment-relief expenditures in mind; he has gone so far as to charge that New York City retains on its pay roll twenty per cent too many workers, but he has not suggested what should be done with this surplus if it were lopped off. His calls for reductions in governmental expenditures have been reflexes to the demand of the rich for lower taxes. At all times he has given voice to opinions on public affairs differing in no wise from those of an editorial hack or a class-conscious, intelligent Wall Street broker.

In all of Dr. Butler's public speeches, it is noticeable, he has invariably defended property rights. If he has ever defended purely human rights the fact is not disclosed by an examination of The New York Times files, 1913-37. But in conducting himself in this fashion, rarely if ever adverting to purely intellectual questions, Dr. Butler has behaved as have all university presidents. If any president of an American college in the past three decades has ever spoken out in denunciation of human exploitation, or in defense of judicially persecuted social dissidents, it does not appear on the record. Most have spoken frequently, however, in defense of vested property rights.

Karl T. Compton, distinguished physicist who is president of the Massachusetts Institute of Technology, while not so prolific a speechmaker as Dr. Butler, in his few appearances has not scrupled to perform similarly under the cloak of disinterested science. In October, 1936, for example, when President Roosevelt suggested that engineers and scientists co-operate in the work of social reconstruction Dr. Compton seized this occasion to launch a partisan and oblique assault upon unemployment-relief expenditures, which were a matter of sore concern to the prosperous M.I.T. trustees. Dr. Compton voiced the convenient fear that "the attention and money devoted to relief and regulation should interfere with simultaneous adequate attention and support to the basic contribution which our sciences can certainly make if given a chance." The newspapers gave these opinions of a ranking scientist prominent display. Speaking before the American Bankers Association in December, 1936, this eminent physicist felt himself qualified to declaim against government ownership of public utilities, a question one might suppose to be outside his
scientific province; but twenty out of forty-eight M.I.T. trustees are public-utility operators.

Another reactionary among American university presidents has been James Rowland Angell of Yale, who since his retirement in 1937 has chosen to inflict the doctrines of his preceptors upon the public through the medium of his new position as educational director of the National Broadcasting Company. His daughter is married to one of the Rockefeller-McAlpins, and he was formerly on the faculty of the University of Chicago.

Dr. Angell was another of the university presidents who professed to see the long-dead American democracy endangered by Franklin D. Roosevelt, although he saw no menace, any more than did his colleagues, in Warren G. Harding, Calvin Coolidge, or Herbert Hoover. Angell, anesthetic to the manipulation of the Treasury by Mellon and the wartime conspiracies of the Wilson regime, after the re-election of Franklin D. Roosevelt discovered a menacing shadow in a government supported by a mere numerical majority.

Democracy was jeopardized, Dr. Angell pontificated, by pressure groups, of which the veterans' bonus bloc was the example he cited; by the sit-down strike; and by unwillingness to submit to rule by the judiciary. "Real and lasting progress can come only by slow and thoughtfully considered measures," said Dr. Angell, "which, resting on those elements in the existing order that are sound, seek one by one to eliminate those which are evil and replace them with such as are wholesome and just." He stood, in short, against any change.

The university president in America, it should be clear, is a brigadier general of reaction, as President A. Laurence Lowell demonstrated by his behavior in the Sacco-Vanzetti case.

And while the university presidents may meddle in public affairs to their trustees' content, and while the professors may also do likewise provided only that they support the status quo, especially in its more evil phases, it goes hard, as we have remarked, with any faculty member who espouses an unorthodox point of view. The American Civil Liberties Union has in its files hundreds of reports on cases wherein the holders of unorthodox views have been discharged. The number of dismissals does not mean, unfortunately, that there is consistent rebellion against the trustees, for there is not. The in-
structors in the social sciences are taught circumspection by the mis-
haps of outspoken colleagues. Those who remain often become, to all
intents and purposes, social as well as academic eunuchs.

The two most prominent recent instances of punitive measures
taken against independent faculty members have occurred at Har-
vard and at Yale. At the former two economics instructors, popular
with the students and unquestionably in full grasp of their subject,
failed of reappointment because they had concerned themselves symp-
pathetically with labor problems off the campus. Their cases are still
pending at this writing.

At Yale, Professor Jerome Davis failed of reappointment, on the
spurious ground of incompetence discovered only after he had pub-
lished the highly critical Capitalism and Its Culture. Many independ-
ent organizations of professors, teachers, and liberals investigated
the case, and uniformly found that Davis had been fired in flagrant
disregard of Yale's pretensions to academic freedom. It was brought
out that, owing to his outspoken utterances, he had been in almost
constant conflict with the university administration. In 1931, for ex-
ample, he denounced the Insulls as "higher racketeers," and was
reprimanded after Samuel Insull, Jr. (Yale, '21) protested. He was
also reprimanded for inviting Senator Gerald P. Nye, munitions-
industry investigator, to speak on the campus.

Yet a character witness at the trial of young Insull after the crash
of the Insull properties was President Robert M. Hutchins of the
University of Chicago. Early in 1937 Hutchins was fervidly de-
nounced by John Dewey, dean of American philosophers, for at-
tempting to revive the principle of blind authority in teaching—an
attempt in which Dewey discerned fascist tendencies. There is, in
brief, class logic behind the superficially aimless actions of the uni-
versity presidents.

The locus of authority at Harvard was eloquently illustrated in July,
1936, when an alumni committee brought in a report "exonerating" the
department of economics of the charge of spreading radical
propaganda. The significance in this committee is to be found in the
identity of its members, who were Walter Lippmann; Walter S.
Gifford, president of the American Telephone and Telegraph Com-
pany; Winthrop W. Aldrich, chairman of the Chase National Bank;
George F. Baker, Jr., president of the First National Bank; Barklie McK. Henry, New York investment banker; Richard Whitney, brother of a Morgan partner, himself a Morgan broker, and former president of the New York Stock Exchange; Orrin G. Wood, Boston financier; Charles M. Storey, Boston attorney; and Representative Christian A. Herter.

Among a few of the distinguished social investigators discharged or induced to leave under pressure by universities since the World War have been Professor Harold J. Laski (Harvard), Professors J. McKeen Cattell, James Harvey Robinson, and Henry Mussey (Columbia), Dr. Alexander Meiklejohn (Amherst), Professor Scott, Nearing (Pennsylvania), Professor John E. Kirkpatrick (Olivet College), Professor Ralph E. Turner (Pittsburgh), Granville Hicks (Rensselaer Polytechnic), Professor Wesley Maurer (Ohio State), Professor James N. Yard (Northwestern), Professor M. F. Meyers, and H. O. De Graff (Missouri).

During the war, because he espoused free speech even though he supported the war aims of the Allies, Dr. Charles A. Beard found life made so uncomfortable for him at Columbia, where he was head of the department of American politics, that he soon resigned with the declaration that "the status of a professor in Columbia is lower than that of a manual laborer." He decried the "few obscure and willful trustees who now dominate the university and terrorize young instructors."

III

The clans of wealth gain many things from the universities in addition to endorsements by the university presidents of reactionary policies, the discoveries in the physical sciences, and the proliferation of a huge backlog, or labor reserve, of skilled technicians. Although the newspapers did a good deal of jesting about a "Brains Trust" when the national administration of the second Roosevelt sought advice from professors in the social sciences, they have not called attention to the extent to which the big corporations and banks utilize the services of former university faculty members.

Owen D. Young, chairman of the General Electric Company, was once a professor of law at Boston University. Jackson E. Reynolds,
chairman of the First National Bank of New York, was associate professor of law at Columbia University until 1917. His successor as president of the bank was Leon Fraser, one-time instructor in history at Columbia who later became president of the Bank for International Settlements. Thomas I. Parkinson, president of the Equitable Life Assurance Society, is the former dean of the Columbia University Law School. The list could be extended indefinitely.

The newspapers present professors as crackpots only when the owners of the newspapers, who are also the controllers of the political parties and the trustees of the universities, are opposed to the specific objectives of the professors. Until the Roosevelt Administration took office professors had been regular government advisers to successive national administrations and legislative committees. William Z. Ripley of Harvard had frequently testified and given advice on railroads. Professor Irving Fisher of Yale was a "brain truster" of the Coolidge-Hoover era. Professor O. M. W. Sprague of Harvard was a monetary adviser and was "lent" to the Bank of England, where he functioned as a liaison officer between the British central bank and the Federal Reserve Bank.

But at Yale, under the "New Deal," President Angell suddenly discovered a grave intellectual menace in having professors engage in government work, although while Professor Fisher was commuting between Washington and New Haven and was active in the Prohibition struggle Angell had nothing to say.

The powerful coalitions of wealth are also amply rewarded by the endowed technical schools in the graduates these schools turn out. Massachusetts Institute of Technology, for example, has graduated the following: Willis R. Whitney, vice-president in charge of research of the General Electric Company; William D. Coolidge, chief of the General Electric research laboratories; Edwin S. Webster and Charles A. Stone, of Stone and Webster; Gerard Swope, president of the General Electric Company; Paul W. Litchfield, president of the Goodyear Tire and Rubber Company; Arthur C. Dorrance of the Campbell Soup fortune; J. Howard Pew, president of the Sun Oil Company; Francis R. Hart, president of the United Fruit Company; Philip R. Stockton, president of the First National-Old Colony Bank of Boston and director of A. T. & T.; the late Charles Hayden, of
M.I.T. is to the field of technology what the law schools of Harvard, Columbia, and the University of Chicago are to politics. The latter supply figures like Charles Evans Hughes, Joseph H. Choate, and William Howard Taft, who are never at a loss for legal justification of the most antisocial acts and policies of the wealthy families.

With golden returns such as these coming from the class-centered schools, it is no wonder that the trustees and administrators of the private institutions look with deep hostility upon the growth of free colleges and universities supported by taxation. Before his retirement as president of Cornell University, Dr. Livingston Farrand warned the Association of Colleges and Universities of the State of New York against the competitive growth of publicly supported colleges. The development of these latter, to be sure, might in time make it impossible for the purely upper-class schools to continue functioning on the old highly profitable basis. If the United States ever sees Fascism it will surely see the end of the free public college and university.

IV

Most graduates of American universities fall into two broad classifications. One is the specialist, an expert in a certain field—law, physics, chemistry, engineering—but with little intellectual curiosity outside that field; the other is the typical anti-intellectual college product whose mental horizon appears to be limited to sports events, bridge games, The Saturday Evening Post, stock market quotations, and formulae for cocktails.

This latter type is by all odds the more numerous, and for a livelihood generally turns to stock brokerage; the selling of real estate, bonds, insurance, or automobiles; or the management of bank and corporation departments where a not too bright intelligence is requisite. The former type emerges as a thoroughly trained technical research man, a hired inventor, an engineer, or a lawyer. There are
now so many of these in relation to available jobs, however, that they are relatively as numerous as typists or stenographers.

It was quite by political design, incidentally, that the present glut of technical workers was brought about. Business and manufacturing interests appealed to Congress in 1917, for example, to introduce vocational courses in high schools. The United States Chamber of Commerce joined in getting a bill passed that provided that the Federal government would give an amount equal to amounts appropriated by the states for this purpose. Secondary schools today are often little more than training grounds for prospective bookkeepers, clerks, stenographers, bank tellers, and similar low-paid, intellectually undeveloped robots.

Although the specialists graduated by the universities may be magnificently trained, they are seldom intellectually equipped to understand human affairs in a broadly sympathetic fashion. They are also unable to comprehend their own role in society, and often privately confess to feeling "lost" and impressed by the "futility" of their work.

The explanation for this state of affairs is found in the emphases demanded in higher education by the donors of funds, who always give for specific purposes and rarely with a view to developing integrated intellects ready to play a creative role in society. In the order of their greatest emphasis allocations to universities by the rich appear to be made for (a) the physical sciences and techniques, (b) the development of schools of business and commercial administration and related departments of modern foreign languages and literature, and (c) sports stadia, dormitories, clubhouses, and other adjuncts of campus sociability.

Very few donors have made provision for the creation of a complete institution, and among the few have been Johns Hopkins, Leland Stanford, John D. Rockefeller (Chicago), and George Eastman (Rochester). Other donors have preferred to make gifts with personal or class interests less covertly attached to them.

What would have been the nature of the educational allocations if they had been designed to serve the general public interest? Had the university donors been devoted to the public interest they would surely have done more to encourage the development of the social
sciences along the traditional avenues of free thought and would have given social-science scholarships equivalent in value and number to the physical-science scholarships. They would, if serving the public interest rather than their own narrow designs, have encouraged the interrelation of all the university departments through a progressive, experimental social philosophy as outlined by John Dewey instead of insistently segregating the various departments. To escape indictment as servitors of their own interests in their educational “philanthropies” wealthy donors would, moreover, have had to contribute to the scientific study of agriculture, of labor problems (not problems in labor relations), and of the inherent deceits of the public market.

Instead of sending forth scientists and engineers imbued with the idea that they are creatively participating in a developmental process, the universities have sent them forth with the idea that they are to work in a fixed, static, supremely well-balanced society that merely requires a few additional embellishments in the way of new inventions, discoveries, and products like cellophane, celenase, and radios that can readily be marketed. While developing specific branches of science to the utmost, the universities have prostituted the ultimate aims of science which, in the best thought of the greatest scientists, should serve the whole of mankind rather than a few stock promoters of companies like General Electric, General Motors, American Telephone and Telegraph, and United States Steel Corporation.

Let us, however, examine a few of the “philanthropic” contributions to the institutions of higher learning with a view to disclosing their purely class and personal character. George Eastman, childless kodak-maker who committed suicide in 1932, during his lifetime allocated some $75,000,000 to educational and technical purposes. As he had no family he, like Carnegie, who had no son, felt no need to hold on to the money. Some Eastman money went into the erection of free dental clinics here and abroad, for Eastman was beginning to realize that it was not so much a case of making new discoveries as of putting old discoveries into circulation. When he died his will disposed of an additional $20,000,000, most of which went to technical education.

Eastman, like many other wealthy men, was hypnotized by the
profit-producing power of science. For many years the Eastman Kodak Company had been hiring chemists and physicists who made many notable—and profitable—discoveries. Eastman, upon investigation, learned that a large number of his men came from the Massachusetts Institute of Technology. In 1912, under the pseudonym of M. Smith, he started giving money to this school—one of the few cases in which an alias was used in the giving of money, although the newspapers are prone to say, without producing any evidence, that much money is given away anonymously by the rich.

In 1920 Eastman revealed himself as the donor of the mysterious large sums to M.I.T. Up to 1932 he had given this institution a little more than $20,000,000 to which there were no strings attached, although the nature of the school assured that the money would all be used in developing technicians who might be of service to the Eastman Kodak Company. During his lifetime Eastman gave approximately $35,000,000 to the University of Rochester, and additional posthumous bequests guaranteed for Rochester the fifth largest endowment in the country. And in addition to dental clinics Eastman encouraged the creation of a great music school at Rochester, and financed from scratch a symphony orchestra and a local opera and dramatic company.

In Eastman's case these bequests were obviously not part of a tax-reduction or self-advertising scheme, for he gave everything away. Very probably there was no conscious pecuniary motive behind his gifts, either, but it is interesting to observe that he could not completely transcend the limitations of the technical field in which he had worked all his life.

For purposes far less disinterested than Eastman's the numerous Du Pont clan, most of whose prominent members are M.I.T. graduates, have lavished large sums on the school. T. Coleman du Pont as early as 1910 gave the institution $500,000, and at frequent intervals since then Pierre, Irénée, and Lammot du Pont have given money. In all probability, the Du Ponts have put up as much as Eastman did. There is, however, a close relationship between M.I.T. and the chemical and automotive enterprises of E. I. du Pont de Nemours and Company, many of whose products have been developed by M.I.T. technicians and most of whose technicians are M.I.T.
men; the Du Pont-Fisher-Morgan General Motors Corporation is also filled with M.I.T. men. From one tenable point of view, M.I.T. can be regarded as a department of General Motors and E. I. du Pont de Nemours and Company.

Outside of M.I.T. the Du Ponts have done little in education other than to construct Delaware elementary and secondary schools for which they, as virtually the only large taxpayers, would in any case have been taxed. Some Du Pont money has gone to the University of Pennsylvania and about $2,000,000 has gone to the University of Delaware. Pierre du Pont is said to have put $5,000,000 into educational enterprises, and he may well have done so in his hysterical attempts to reduce his postwar tax bills. But for every dollar the Du Ponts have put into schools they have obtained, in addition to lowered taxes, a hundredfold personal pecuniary return.

The elder George F. Baker chose to regard himself as a supporter of education, and there are those who therefore consider him a great human benefactor. He gave $6,000,000 with which the Harvard Graduate School of Business Administration constructed elaborate buildings along the Charles River; but what advance in knowledge or human betterment was represented by this contribution to the production of more efficient business executives and more scientific ways of marketing and, in general, of extracting greater profits from a bedeviled public is not clear. Baker also gave $2,000,000 to Cornell, and $1,000,000 to Dartmouth for a library. He bestowed $700,000 on Columbia University for a football stadium. As the Baker gifts were made in the postwar boom era their donor probably saved more in taxes by "giving" than if he had not "given."

In addition to making educational contributions to certain profit-producing fields, the rich in general reserve their heaviest contributions for a small group of institutions in the East, to whose general regional problem of dominating the farmers of the West and South and the workers of the industrial areas these institutions zealously address themselves. The preparatory schools that feed these favored colleges and universities are themselves located in and around New England. They, too, are the recipients of huge sums, although their benefactors are not otherwise visibly interested in the broad field of secondary education.
When it becomes more generally understood that the educational apparatus of the rich functions as a regional as well as a class instrument of domination, other sections of the country will be less inclined to accord to the rich fatuous admiration for so philanthropically holding them in subjection. Class lines in the United States, it may be remarked, are to some extent obscured by regional particularism, so that where an individual does not perceive himself as exploited by another class he often sees himself exploited by another region. It is all too obvious in studying school gifts and endowments that the rich have largely passed over the people of the South, the Southwest, and the Northwest, who must, after profits have been siphoned away by absentee owners, struggle along with whatever educational facilities they can afford. Indeed, about seventy-five per cent of educational “gifts” go to the East.

The reciprocal functioning of the endowed Eastern universities and colleges in the forwarding of class and regional aims was perhaps never better illustrated than during the general fight of predatory wealth and its press against the proposed mild reform of the Supreme Court. According to The New York Times (April 15, 1937), the presidents of Massachusetts Institute of Technology, Dartmouth, Brown, Wellesley, Bowdoin, Wesleyan, Williams, Tufts, Boston University, Yale, and Harvard joined in decrying any “tampering” with the sacred court. It should, of course, be obvious by now that the private universities and colleges are hotbeds of political intrigue. Sometimes their presidents aspire to or attain high political office, as Wilson attained the presidency, and as Butler dreamed of attaining the same eminence.

For illustrations of the class and regional character of educational contributions by the rich we will concentrate, as the donors have done, on Harvard, Yale, Phillips-Andover and Phillips-Exeter Academy.

No less than $60,000,000 has been poured in recent years into new buildings at Yale University. The contributors included Edward S. Harkness, the heirs of the late Payne Whitney, and John W. Sterling, corporation lawyer who served as the confidential adviser of Jay Gould, James Stillman, and William Rockefeller, and who was the brains behind the Amalgamated Copper swindle. The Yale building group comprises seven great quadrangles amid eight colleges, each
college containing within itself a separate kitchen, dining room, squash courts, library, and a master's house, and each catering to 150-200 boys from the three upper-school classes. Here, in the words of Fortune (March, 1934), they live “together in elaborate ease as though such things as classes never were.”

Seven colleges are Gothic in style; the eighth is Georgian. The plan is carried out, too, in additional buildings that include the Sterling Memorial Library, the Payne Whitney Museum, the Sterling Graduate School, and the Sterling Law School. The layout is styled the “Oxford plan,” as though it were the intention to bring the English university system to America. Unfortunately, there is more to the English university than physical appurtenances; underlying it is the democracy of the intellect from which the progeny of oil barons automatically exclude themselves by devoting their major energies to preserving their inheritances.

The essentially undemocratic character of the Yale colleges is most prominently indicated, perhaps, by the interiors whose elegance may well inculcate in the undergraduate, if he has not previously been so conditioned at home, a lasting taste for luxurious surroundings. This taste can be satisfied only by means of pecuniary pursuits after leaving college.

The new Payne Whitney Gymnasium at Yale contains a huge exhibition swimming pool, to which a number of practice pools may be joined; a basketball amphitheater convertible into exhibition tennis courts; two additional basketball courts; wrestling, fencing, boxing, and gymnastic rooms; two golf galleries, two polo cages, a rifle range, a solarium; an outdoor running track on the roof; three rowing tanks; eight hand-ball courts, and twenty-eight squash courts. Yale also has facilities for outdoor sports, including nine football fields in addition to the Yale Bowl, soccer, lacrosse, and polo fields, forty-four tennis courts, an eighteen-hole golf course, and three boathouses, as well as the Armory Riding Hall and the Coxe Memorial Field Gymnasium.

All other equipment is similarly elaborate in this Hollywood of higher education.

Harkness contributed about $13,000,000 to the Yale building program. Sterling, who died in 1918, left $20,000,000 to the university,
but before Yale could get around to utilizing the fund it had multiplied in the stock market. Though Yale has expended $41,000,000 of the bequest to date, there is still much of it left, and this remainder is constantly increasing in value.

Harkness equaled his Yale contribution with a gift to Harvard on the stipulation that the house plan be adopted. Harvard had at first balked, but reconsidered after Harkness turned to Yale; today Harvard has the same elaborate pseudo-English college system. Phillips-Exeter Academy received $7,000,000 from Harkness for a similar house plan.

Praise has been showered on Harkness for giving vast sums to the wealthiest and most exclusive class schools in the country, but in view of the crucial need for educational facilities in other parts of the country his gifts look more and more like a scheme for transferring money from one class pocket to another. The press is responsible for the general—and erroneous—conception of Harkness as a benefactor of education in general.

It is true that Harvard and Yale, as well as other upper-class institutions, offer free tuition, some cash scholarships, and nominal paid employment to the highest-ranking graduates of accredited secondary schools without regard for the social class origins of these students. One can, it is true, meet a coal miner’s or a farmer’s son at Harvard, although it is a rare experience. The task of Yale and Harvard, however, is to mold these bright youngsters into unconscious servitors of the ruling class—as lawyers, as corporation scientists, as civil servants, as brokers, bankers, and clergymen—and the enforced “democratic” mingling effected by the new house plans assures this result more positively now than ever, for in the past many students were made to feel like pariahs by their exclusion from the quasi-aristocratic clubs.

The Harkness, Whitney, and Sterling money represents only a small portion of the vast sum that has been given to Yale, Harvard, and Princeton by many wealthy individuals. Harvard's total endowment represents ten per cent of the endowment of more than seven hundred private universities and colleges. The combined endowment of Harvard, Yale, Columbia, and Chicago represents about thirty-three per cent of the endowment of all private universities and col-
leges. None of these institutions concerns itself in the normal university program with the problems of any class except the wealthy; none has made any substantial contribution toward the solution of the social and economic problems facing farmers, industrial and white-collar workers, the foreign born, or Negroes.

The heavily endowed colleges and universities have very evidently left a wide section of the populace out of consideration in their prescribed courses of study. At Yale, Harvard, Columbia and the University of Chicago one can, however, study stock-market trends, advertising layouts, the mail-order business, office management, etc. In view of the linkage of the physical science departments with the big corporations, and the schools of journalism and of business with general capitalistic enterprise, and in view of the exclusion from these universities and colleges of branches of study concerned with the problems of the lower income groups (except as those problems become problems of the ruling families as well), one can say that they are upper-class schools in all their phases.

At both Yale and Harvard the social science departments are so weak as to draw comment from savants at universities like Columbia, Chicago, Johns Hopkins, and Wisconsin, which are somewhat more cosmopolitan in character.*

Phillips-Exeter has received large sums in addition to the $7,000,000 Harkness gave for its house plan, which prepares students for easy living at Yale and Harvard. William Boyce Thompson presented it with $1,000,000 for a gymnasium. Thomas W. Lamont and the late Thomas Cochran of J. P. Morgan and Company both gave it large sums and helped it and Phillips-Andover to raise funds among other wealthy men. But contributions to Exeter and Andover, like those to Harvard and Yale, can hardly be classified as contributions to the intellectual advance of mankind, even though some product of one of these schools may some time take the bit in his teeth, confound the trustees, and turn out to be a Copernicus, a Darwin, a Marx; or a Veblen.

Both Phillips-Exeter and Phillips-Andover have separate endowments of $6,000,000 each, greater than those of institutions like the

In short, while money is lavished on a few Eastern preparatory schools, higher education in the West and the South is being starved. The private preparatory schools, moreover, have a class function only; they do not fill a genuine need, for the public high-school system is extensive.

Andover and Exeter are only two of the Eastern preparatory schools patronized by the rich families. Groton has an endowment of $1,500,000; Lawrenceville, $500,000; St. Mark’s, $600,000; Taft, $500,000; and St. Paul’s, $3,059,018. Andrew W. Mellon gave Choate School a library and the Archbold family gave an infirmary; Clarence Dillon, banker, gave Groton an auditorium, William A. Gardner gave a $500,000 chapel, while various large gifts were also made by the late Payne Whitney; Edward S. Harkness contributed to the Hill School endowment of $2,340,187, as did the late T. Coleman du Pont; Charles G. Dawes, Lammot du Pont, and Mortimer B. Fuller (International Salt) made big gifts to Lawrenceville; Paul Block gave a chapel to Hotchkiss School, whose endowment is $400,000. Middlesex School was founded by W. Cameron Forbes, Henry Lee Higginson, Francis Lowell, and Dean Briggs of Harvard, all of whom gave it money and buildings. The Armour family and August Belmont contributed to St. Mark’s. James Simpson of Marshall Field and Company and H. E. Manville contributed to St. Paul’s. Benefactors of the Taft School have been Mrs. William Rockefeller, who gave Rockefeller Field, Edward S. Harkness, who gave $500,000, and Harry P. Bingham, who gave Bingham Auditorium.

This is only part of the story, for there are also the Eastern girls’ “finishing schools.” These expensive and strictly upper-class institutions, where the tuition fee ranges from $1,000 to $3,000 a year, include Foxcroft, Brearley, Miss Chapin’s, Spence School, Rosemary Hall, Ethel Walker’s, Farmington, Westover, Miss Hall’s, and Dobbs School. The education of women, whose occupations hold forth little
promise of great monetary profit such as derives from the work of chemists, engineers, lawyers, and market manipulators, has aroused among rich families somewhat less enthusiasm than has the education of men. The big Eastern universities have excluded women, and the Eastern women's colleges have been far less successful in wheedling funds out of their wealthy connections than have the big profit-producing men's colleges. Vassar College, for example, has an endowment of less than $10,000,000. Smith College and Bryn Mawr have endowments of only slightly more than $6,000,000. Wellesley College has less than $9,000,000 of endowment. The greatest progress in the education of women has been made by the co-educational Western universities supported by public taxes, although Oberlin College first instituted co-educational training.

Most of the wealthy families have, nevertheless, made some contribution to the Eastern schools for women, and the campuses of the women's colleges, like those of the universities, are strewn with towers, lecture halls, libraries, dormitories and gymnasiums that bear such intellectually significant names as Rockefeller, Harkness, Havemeyer, Drexel, Carnegie, Stillman, Whitney, et al.

These examples, and many others that for lack of space are not cited, provide the data for the statement that the rich in making their contributions to education are merely serving their class and individual interests. Strictly viewed, the private schools are oases of aristocracy amid an embattled democracy, which President Angell of Yale has eloquently termed an incipient "bastard democracy."