

a few of these men under present conditions render any real service to society. Granting the desirability, even the necessity, of the functions performed by real estate agents in bringing together buyer and seller, most of what today is called the "real estate business" is based on land speculation and represents neither a direct nor an indirect contribution to production. Yet all those engaged in what after all is a mere parasitical industry must be housed and clothed by those who are doing the real work of the world. To a very great degree these 1,000 men live on the others.

**T**HE mayor of Boston, Hon. Andrew J. Peters, is not above the usual run of mayors in his knowledge of taxation. He calls the real estate tax of his city "excessive." It is "excessive" because "out of all proportion to the profits from that form of investment"—which dictum if applied to that part of real estate which is land will not greatly appeal to Single Taxers or the tenants of Boston. But another statement of the mayor's is interesting, and may well reassure the landlords that no matter what the tax is on land they will escape it. (sic) "Even the tax on land, in defiance of economic theory, is usually shifted," says the Honorable Andrew.

If this is the case, it is so unique that it calls for investigation by the National Tax Association before which, at its annual convention, this address was delivered. But the fact is that the National Tax Association, instead of being what it once promised to be, an organization for the study of taxation in all its incidence, is now merely a reactionary body that is being used by the opponents of genuine tax reform. Its declared purposes are not its real purposes.

**O**F course, the tax on land is not "usually shifted," nor is it shifted at all. The statement, unaccompanied by any attempt at demonstration, is merely an attempt of Mayor Peters to deceive, not his hearers, who probably know better, but the rent payers of Boston.

Thus the question suggests itself, how much longer are the mayors of American cities to be permitted to act as agents for the real estate interests of the communities over which they are called upon to preside? Either Mayor Peters is a rank humbug and a fraud, or he is grossly ignorant of a subject on which it is his duty to be informed. In either case he is unfit to be mayor of Canarsie, not to mention the city of light and leading.

I went to France and fought the foe  
As sergeant in the infantry;  
My landlord and his many sons  
Stayed home and waved the flag for me.  
—JACK HONEST, in *Evening World*, N. Y.

AS WE understand the Communist, if you knock him down and give him a thorough licking, he has no rights at all.

—H. M. H.

## Leaders of Forlorn Hopes

**I**N July-August REVIEW we wrote as follows:

"The usual quadrennial farce of selecting candidates for municipal offices is now being played to empty benches. How poverty-stricken in character and capacity the old parties are is shown by the men who are being touted for the nominations—at best amiable accidents, at worst, mercenary mediocrities, men without a glimmer of an idea how the city can be extricated from the morass in which it is floundering as the result of the treachery or stupidity of its past governors and the hopelessly rotten economic system which lies at the root of all its troubles. Surely some citizen of capacity and character can be found willing to take up the ungrateful but honorable task of pointing out the only road that leads to redemption and salvation."

The foregoing was particularly addressed to men like Amos Pinchot who have the vision but who lack the intrepidity that makes leaders of men, and who at critical times in the world's history betake themselves to their closets, and leave their followers to fight in a leaderless army. It is melancholy indeed that when such men choose the "easiest way," and refuse the great call that comes to them perhaps only once in a lifetime, and who at such times begin to weigh the hazards of battle, and their personal preferences for more peaceful activities.

It is a difficult choice, indeed. We do not condemn; nor do we doubt that these men are acquitted of their consciences. But it is impossible not to feel a keen and profound sorrow that their courage is not equal to their vision, that because victory seems so doubtful they prefer the quiet of the camp to the hazards of the field.

The leaders of forlorn hopes! These are the men who sallied forth when the future seemed darkest. The Cobdens, the Brights, the Garrisons, and he, our leader whom we delight to honor, Henry George. These are the men who make history. No hope is forlorn, and no faith fails of triumph that is linked with a splendid truth. The leaders of such "forlorn hopes" mould institutions—their cause is never hopeless.

There are men in this country now in public life whose courage is equal to their idealism. We can only regret that they do not possess the full vision. Nevertheless we do right to honor them.

We open the August number of the *World's Work*. Here is an article by Henry Morgenthau. He tells of his work in electing Wilson. He pictures the conflict that waged within him between idealism and materialism. It is a frank and interesting self-revelation. He says:

At fifty-seven years of age, rich in money and experience, and recently released from the toils of materialism, it ceasely confronted me with my duty to pay back, in the form of public service, the overdraft which I had been permitted to make upon the opportunities of the country."

Henry Morgenthau did not hesitate in choosing the paths that stretched before him. It matters not whether his vision lacked completeness, or whether we elect to quarrel

with his choice. The essential thing is that he chose with high courage. He was one of the leaders of a "forlorn hope." A title of such courage in some of our public men who know the source of our troubles and the remedy for them, would give us leaders for a movement whose triumph sometime, somewhere, with or without them, is as certain as tomorrow's dawn.

## Automobiles Increase Land Values

MR. MACAULEY, of the Packard Motor Company, in a recent statement says:

"There is another gauge on the value of the automobile to the farmer. During the twenty years before the motor came, that is, up to 1900, the population of the United States increased at the rate of 2½ per cent., while farm values went up \$400,000,000 a year. During the next sixteen years, which had not yet given the farmer the full advantage of motor transportation that has come since, but which did mark the arrival of the passenger car on the farm, the population increased only 2 per cent. a year, but the average farm values increased \$1,300,000,000 a year. This means that during twenty years without automobiles the population increased 50 per cent. and farm values 57 per cent., while during sixteen years with automobiles the population increased 33 per cent. and farm values 100 per cent. This gives a difference of about \$900,000,000 a year, a total of \$14,400,000,000 in value due largely to the automobile, for this one branch of industry alone! The total capital invested in the automobile industry in 1919 had not reached the size of this increase for a single year!"

The New York *American* makes this comment:

"Next to some inconceivable agency that would supply the farms with free fertilizer, free labor and free live stock, nothing could be conceived of that would do more for farm values in this country than has been done by the automobile. Think of more than FOURTEEN THOUSAND MILLION DOLLARS added to land values by one single agency."

To the extent that the automobile has increased the facilities of distribution it has been a benefit to the farmer; to the degree that it has increased land values it has been of no benefit to the farmer who is not a landowner, and little benefit to the farmer who is.

There is perhaps too much of the *post hoc ergo propter hoc* fallacy in Mr. Macauley's argument, since a lot of things have happened in those sixteen years in addition to the appearance of the auto, but it is safe to assume that motor transportation has increased the market facilities of the farmer, while it has also enormously increased land values. If these values were taken for the benefit of the farming communities everywhere where such values have arisen, it would be an unmixed blessing. But as it is: "To whosoever the soil at any time belongs, to him belong the fruits of it. White parasols and elephants mad with pride are the flowers of a grant of land." So goes the Indian maxim. It is good political economy.

## Decrease of Land Values in Manhattan

WE quote the following from the *Real Estate Record and Guide*:

As the result of a letter written by Nathan L. Ottinger to *The Record and Guide* and which appeared in the issue of June 4, pertaining to increases of land values in Manhattan, considerable interest in the matter was aroused among its readers which is reflected in a letter by Carlton Robinson in reply to the argument of Mr. Ottinger. The latter stated that there were fewer tenement houses in this borough because land values were constantly rising and that more land was being used annually for business purposes.

In his letter Mr. Robinson says that as everybody is interested in the housing problem he is looking for light on the subject; and he is surprised at Mr. Ottinger's statement that land values are constantly rising. He says that if they are "the Tax Department does not seem to be aware of it." He continues: "Ten years ago, according to the *Brooklyn Daily Eagle*, real estate in Manhattan was worth \$5,037,872,685; today, according to the same authority, it is worth \$5,186,771,887, or \$150,000,000 more, or about 3 per cent. increase altogether in ten years. But the value of new buildings erected in ten years must have been vastly more than that sum, so that, as I figure it, land values must have greatly diminished in ten years, without taking into account the depreciated dollars in which they are computed. As Mr. Ottinger makes this supposed fact of increased land values his main contention, how can his conclusion be correct?"

This paper, as a result of the colloquy, has made inquiries at the Department of Tax and Assessments. The situation as developed by the figures shows that Mr. Robinson is correct when he says that there has been a decrease of land values.

Assessed real property valuations had not increased markedly until 1911, when, during the administration of Mayor Gaynor they became higher than ever before. The assessors call it the banner year of high values. Vast municipal improvements were being carried on and projected. Assessed values continued high throughout his term and during the first two years (1914-1915) of Mayor Mitchel's term. In 1916, however, real property valuations in Manhattan decreased in the sum of \$51,000,000; in 1917, \$66,000,000; in 1918, \$20,000,000, and in 1919, \$14,000,000. In 1920 property values ascended, gaining \$27,000,000 over the previous year; while this year, 1921, will show the marked increase of \$234,000,000 in round numbers. These figures also include taxes on real estate corporations and special franchises.

The comparative figures between 1921 and 1911 follow:

	Land	Buildings	S'pl. Franchises	R. E. Corps	Total
1921	\$3,061,515,951	\$1,743,568,195	\$267,947,816	\$113,739,925	\$5,186,771,887
1911	3,114,812,658	1,517,740,852	324,651,100	80,668,075	5,037,872,685
	\$53,296,707 Decrease	\$225,827,343 Increase	\$56,703,284 Decrease	\$33,071,850 Increase	\$148,899,202 Increase

The above quotation from the *Record and Guide* will be of interest to our readers as instancing the fact that the steady upward march of assessed land value in the kernel of New York has had a check and that in 1921 it is \$53, 296,707 less than in 1911. It will also amuse our readers to observe what a poor hand the presumably expert *Record*