

policy to build up a neglected borough capable of immense expansion.

Formerly this ferry was "administered by private agencies under the watchful supervision" both of Mayor Low and of Tammany Hall itself. Tammany appears to do better as a manager than as a supervisor of public utilities.

Encouraging real estate improvement.

The New York League for the exemption of real estate improvements to the extent of \$3,000 (p. 434) has had its bill, backed by thousands of signatures, introduced in the New York legislature. The bill is a simple one. It merely amends the existing law by inserting the following section:

The Board of Supervisors of any county, and the Board of Aldermen of any city covering more than one county, may by ordinance prescribe that there shall be exempted from taxation within such county or city, except for State and county purposes, buildings and other real estate improvements to a certain amount, which shall not exceed three thousand dollars on each separately assessed parcel of real estate. Such ordinance shall fix the amount of such exemption and shall be in force until amended or repealed by ordinance of such Board of Supervisors or Board of Aldermen. Such exemption shall have uniform operation throughout such county or city, and shall not be conditioned upon the nature of the use to which such buildings or improvements may be put or the character of the ownership thereof.

Special exemptions of improvements for limited terms is a familiar practice. It is a vicious practice, too; yet it springs from a sound economic principle, namely, that the exemption of improvements encourages improving. This principle can be properly realized by the method proposed. If special exemptions of improvements encourage special improving, general exemptions of improvements would encourage general improving. This is evidently the view of the State Comptroller of New York, who, in his official report submitted to the legislature on the 14th of February said:

While deprecating the extensive granting of exemptions from taxation

by special legislation, the comptroller suggests, if such favors in exemptions are to be allowed, it would not be inequitable to relieve from taxation the homes of citizens not exceeding \$3,000 in value.

The cause of hard times.

It is difficult to conceive of the New York Sun as an advocate of Henry George's single tax ideas; but a recent editorial reads as if the Sun's editor had accepted George's explanation of hard times. As is well known, George sets forth the fact that the essential factors of production are land, labor and capital; that, essentially, the product is divided into rent, wages and interest; that the share of each is dependent on the portions taken by the others; and that great land booms, by unduly increasing rent, or land values, rob labor and capital, stop production to a degree, and plunge the world into "industrial depressions" from which it takes a long time to recover. His language is as follows:

The confident expectation of future enhancement of land values, which arises in all progressive countries from the steady increase of rent, . . . leads to speculation, or the holding of land for a higher price than it would then otherwise bring. . . . That land speculation is the true cause of industrial depression, in the United States, is clearly evident. In each period of industrial activity land values have steadily risen, culminating in speculation which carried them up in great jumps. This has been invariably followed by a partial cessation of production, and its correlative, a cessation of effective demand (dull trade), generally accompanied by a commercial crash; and then has succeeded a period of comparative stagnation, during which the equilibrium has been again slowly established, and the same round been run again.

The Sun has seen that the increases in rent during the past two years, which have probably averaged at least two or three dollars a month per family, have taken that much out of the earnings of the people,—that much from their "effective demand" for commodities. It sees in the large rush of the better-paid classes of wage earners to escape the landlord by becoming home-owners, another

substantial cut in "effective demand;" for these must enter upon a regime of economy in order to pay for their homes. It shows that goods made to be sold will not be sold, or will be sold slowly, and that an overstocked market will curtail production, throwing many out of work and wages of any kind. Hence the Sun tries in its own peculiar way to check the great boom that threatens to bring disaster to business when it collapses. Listen, ye foolish ones. Building has been overdone, and financial institutions will put up interest rates and eventually refuse to lend at all if you persist. Buying for a rise has been overdone, and those who buy now will be bitten. We are comfortable and well-fixed; don't disturb the equilibrium by all going off to buy homes at once. You can't do it, anyhow, for you will put prices away beyond your own reach if you try. Let things settle awhile—at least until after the next election, so we can blame it all on the pesky Democrats, who are always trying to unsettle things! Thus, in substance the Sun. And now a word from us. Single taxers have never had a better opportunity for establishing reputations as statesmen who can see ahead. The smash is coming, sure as fate. They will not bring it about; it is not their fault, and they cannot help it. But they can explain what will bring it about; and when it comes they can truthfully say, as prophets and not as croakers: "We told you so!"

Capital and monopoly.

There is a peculiar insistence among professed students of sociology upon disregarding monopoly as a factor in the distribution of wealth. For instance, in a letter from Charities and The Commons requesting the cooperation of a gentleman of New York, this gentleman is informed that the publication (really excellent in many ways, let us say, and doubtless acting without thought rather than in bad faith in the matter under consideration) is endeavoring "to discover what