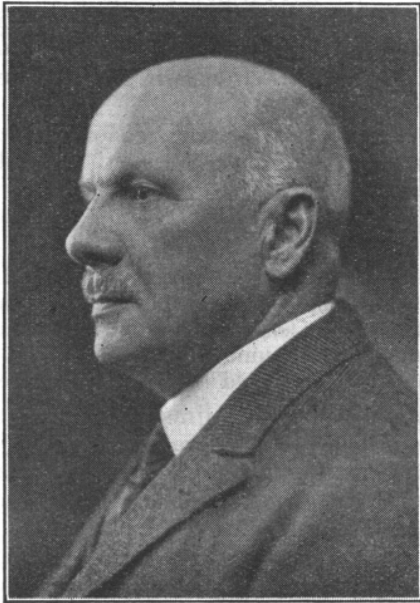


THE FLORIDA LAND SPECULATION



CHESTER C. PLATT

The January-February issue of *Land and Freedom*, among other good things, carries an illuminating article on the collapse of land speculation in Florida, by our co-worker Chester C. Platt. It reads like a fable told of a far-off country a long time ago where the virtue of prudence, to say nothing of education and experience, has never been in practice. But the nature of land gambling was ever the same and current opinion is that its dupes are not unknown outside the seductive climate of Florida.

Mr Platt makes good use of Governor Martin's speech on the subject in 1925. A piece of land sold for \$22,000 was assessed for \$1,200; another piece was sold for \$20,000, assessed for \$400; one at \$24,000, assessed \$490; another sold for \$60,000, assessed for \$380. In figures, nothing more alarming than what takes place in Great Britain; but, of course, there is the difference in population and industry to take into reckoning. If Florida had a population of 20,000,000 instead of 5,000,000, the Mayor's speech would have been of a more harrowing description in the matter of high priced and low assessed land.

Mr Platt continues: "John S. Collins in 1912 paid \$12,000 for Miami Beach. He took Carl G. Fisher as a partner and each made \$40,000,000 out of the property." Here is the reverse side of the picture:—

"Many who did invest in country property at high prices found their condition like that of Iowa farmers who bought farms during, or just after, the war and at peak prices, and are now going into bankruptcy by thousands on account of high taxes, and interest charges based on fictitious land values. Many who went to Florida attracted by the real estate boom and who expected to find remunerative employment there have never been able to get together money enough to pay their railroad fare back north. Others who went there and invested their last dollar in lots are similarly stranded. The collapse of the real estate boom has left a sad wreckage of broken banks, suspended newspapers and bankrupt merchants."

* * *

It reads like a passage from *Progress and Poverty* (Book V., chap. I.):—

"With this material progress went on a steady

enhancement in land values. The expected increase of land values which would thus accrue was discounted in advance . . . and farming land was taken up and held for high prices, in whichever direction an immigrant was likely to go. . . . There is one thing which, it may seem, I have overlooked, in attributing these industrial depressions to the speculative advance of rent or land values as a main and primary cause. The operation of such a cause, though it may be rapid, must be progressive—resembling a pressure, not a blow. But these industrial depressions seem to come suddenly—they have, at their beginning, the character of a paroxysm, followed by a comparative lethargy, as if of exhaustion. Everything seems to be going on as usual, commerce and industry vigorous and expanding, when suddenly there comes a shock, as of a thunderbolt out of a clear sky—a bank breaks, a great manufacturer or merchant fails, and, as if a blow had thrilled through the entire industrial organization, failure succeeds failure, and on every side workmen are discharged from employment, and capital shrinks into profitless security."

The four million unemployed in the United States which the Press everywhere has just put on record is the "thunderbolt out of a clear sky." It has come like a shock and speaks for the end of the "prosperity boom" that in recent years has brought the United States such a full measure of commercial publicity.

This economic breakdown has been traced to speculation in land values and the cure is to be found in the concluding sentence of Mr Platt's survey: "It needs only a just and scientific application of the taxation principles of Henry George to make greater strides in wealth and population in the future than it has ever done in the past."

Sir Edgar Harper had a telling full-page article in *John Bull* of 4th February, entitled "A Speculating Spider." The editor of this widely-read paper supplied a fitting introduction, and Sir Edgar's article made it abundantly clear that, to quote the author's own words, "A measure of relief would come from the taxation of land values. Great estates would no longer exist for uneconomic purposes. Agriculture, a declining industry, would receive considerable stimulus. Wage standards, at present pitifully low, would be forced up by demand for labour. The building trade would receive a vast fillip in addition."

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Sir Edgar Harper and Alderman F. C. R. Douglas gave evidence on 10th January before the Royal Commission on the London Squares, both stating the case as it is viewed by the advocate of Land Value Taxation. There is a danger that many of these garden squares may be built upon, and the question is how to avoid such a calamity—whether also the owners are entitled to any compensation if the law decides that these squares must be preserved. Sir Edgar Harper pointed to what had happened already by the public being forced to pay exorbitant prices to acquire squares as open spaces, when the owners turned speculators and threatened to sell or lease the land for building. We hope to print in an early issue some extracts from this informing evidence.

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