

## Game simulation does the trick

Four out of five high school students who participated in game simulation exercises recognized the negative effects of land speculation on the community, according to a report by school director Stan Rubenstein.

Twenty eight students in a Long Island high school economics class took part in a game simulation, familiarly called CLUG (Community Land Use Game) which deals with urban growth and development. Upon completion, these students were required to write an essay on "The Impact of Land Speculation on Economic Activity in CLUG." The following are excerpts from these papers:

In the game of CLUG land speculation has caused the economy to spiral down into an economy with the characteristics of a depression. It has taken money out of circulation in large quantities and has returned very little. It is apparent that land should be bought at the time it is needed, and if this was done the economy of CLUG might have leveled off at a slightly inflationary economy which is where most economists feel it is favorable to be.

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The end result of land speculation has been a slow, largely unproductive developing stage for the city in which the patterns of competition and rivalry have taken the forefront, as opposed to teamwork and unity.

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Land speculating is unnecessary and wasteful if you have no plans for it. There are two alternatives to do once you purchase land. First you could develop it making it suitable for needs of the community. An example is - team A builds a R4 and you have the capital (or the capacity to obtain) you'll have to be a fool not to build a full industry on that land.

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First off, these empty lots are of no benefit to the community. Right now they are vacant and provide no income. Their tax rates are low and do little toward contributing to public services. The thousands of dollars used to buy the land could have been put into the central city where as industries or homes, they would pay higher tax rates toward the support of the community.

Finally, the question arises of whether land parcels in the far section of the board will ever be usable? Presently transportation costs are the largest factors prohibiting building upon them. Obviously no one is going to spend more than their profit margin allows to transport goods. Employees are also looking for the cheapest way to get to work and to stores for shopping.

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In the 19th century when a few people had monopolies on certain items, such as Rockefeller with the oil industry, Vanderbilt with the railroads and Carnegie with the steel industry, these were the people that had a definite advantage over the average middle-class people. This is exactly what is happening in CLUG, one or two of the teams are buying up the land plots in such a multitude that they are dictating the trend of the game.

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The effect on such team's capital investment in catastrophic money is rapidly dwindling since the teams are wasting their capital on rash land deals. The money could be put to a better use. If all the teams would lend their money out between rounds, other teams, short of capital, could borrow this money to build on this land. This would be beneficial to the community since it would grow and money would be put back into circulation.

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One of the major problems that we are now being faced with is that only one or two of the groups own a great deal of the property that is not suitable for building. Simple economics tells us that most of the groups will thus turn down any proposals to extend the transportation and utilities' lines unless they are getting back some type of return on their investments. If there had been a greater variation of who owned most of the land, we might not be facing many of the problems that we see now.

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In an economics game like the Community Land Use Game, there is bound to be a large amount of land speculation. I feel that it has a negative effect on the development and growth of our community. To understand this concept further, we must define "land speculation". It is the buying and selling of land, not necessarily being used, with a hope of making money on the transaction. At this point in the game, the city is twenty years old. In this time we have already determined, by buying and building on land, the urban and suburban area. With the wild buying of all the land available, we left no alternate for expansion and the possible making of a metropolis, with more than two or three urban centers.

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One idea that CLUG has taught us through land speculation is the fact that money that lies idle is not being used to its fullest potential. In fact, if money is left idle from one round to the next, the holder of the money has actually lost money because of the interest which possibly could have been earned had it been invested. The concept of "land" is formed around the same idea which is if land is left dormant it is actually losing money.

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Henry George News, Volume 39, Number 4. Published bi-monthly by the Henry George School of Social Science; Lancaster M. Greene, chairman of the Publications Committee. Subscription: \$2 a year, \$5 for 3 years. Second Class postage paid at New York, New York.

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Henry George News  
50 East 69th Street  
New York, New York