

Land and Freedom

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Comment and Reflection

THE Florida land boom having subsided we now have the aftermath. The Coral Gables Corporation have started suit against several thousand delinquent purchasers. The aggregate of the suits begun amount, it is stated, to several million dollars. Hiram F. Harris, Vice President and Controller of the Corporation, states:

"In the main these suits are brought against people who, by their own actions, signify that they were gambling with our property—purchasers who were willing enough to hold the land in expectation of ultimate profit but are unwilling to pay for the privilege."

GAMBLING with "our land"! What did he suppose they were doing? The Coral Gables Corporation offered just that inducement. Now that the gamble has resulted in a loss they turn on their investors and add to the possible injury of a suit the insult of abuse. Gamblers indeed! Of course they were. But so too was the Coral Gables Corporation. And had these investors won they would not have sent up this piteous squeal. They would have taken back the lots and pocketed the profit from the increased land value.

BUT it turned out otherwise. The investors played the touted thing; they put their money on the wrong horse. Of course they are not willing to "pay for the privilege" they thought they would secure and did not, the privilege of buying land and profiting by the increase in value due to the labor of others. "Gambling with our property," say the touts. Who made it theirs? Florida was here when God fashioned the world, here when Columbus landed, here when the devoted Jesuit fathers carried their missionary labors to the Seminoles. No man's labor has added anything to it, and generation after generation of men, done with earthly activities, have been consigned to its bosom. It belongs not to the Coral Gables Corporation, nor to the deluded investors tempted by them to bargain for choice pieces of it, but to all that inhabit it. This is the one thing that among all things uncertain and variable is a fixed and immutable truth.

IN a recent number of the *Yale Review* President Arthur T. Hadley discusses "Principles and Methods of Rate Regulation." In his article he says many things that are important and well stated. The defect is that the admirable things he says of the law of competition and

its beneficent operations as applied to production of commodities do not apply in the same degree to railroads and other public service utilities that require the use of land. President Hadley's conclusions are vitiated by the ignoring of this essential difference.

WHEN a commodity becomes scarce and prices rise, capital flows into that industry. There is no need for regulation of prices of these commodities produced through the ordinary channels. Values are determined by demand and supply and the value of anything is measured by its cost of production. There can be no long continued scarcity of anything that labor can produce and where the element of monopoly does not enter. But railroads cannot be produced in answer to demand, like chairs, tables or houses, nor is the rate of transportation fixed in anything like the same degree by the factors governing production or service in other lines.

PRESIDENT HADLEY seems to think that because business units today are necessarily large "free competition in the old sense is impossible, that the steam engine and the puddling furnace make it difficult to apply the principle of competition." If it is the size of business units that makes competition impossible the argument for price regulation is indefinitely widened and we are landed, willy nilly, straight into the socialist camp. But happily it is not so. No matter how large these business units—if size and nothing more important is involved—the principle of present or potential competition persists. And it is not puddling furnaces nor steam engines that make railroads—it is *rights of way*. And not the size of business units, but the exclusive character of the privilege granted is the important consideration. And it is because of this that what President Hadley has to say has little bearing on the subject he is treating. There is a "missing middle" in an otherwise interesting discussion.

CLARENCE COOK LITTLE, president of the University of Michigan, says: "We are likely to go tumbling straight back to fundamentals." That is to be classed among the statements that are important if true. As a prediction it may well turn out to be a true one. The world cannot always content itself with the superficialities of modern life; there must come a reaction for something real and permanent, something that will respond to the uneasy consciousness that all is not right with the world despite the fact that God's in His heaven.