

PALESTINE

The Land Boom and Land Speculation

(From "The Times," 27th February.)

The Jewish immigrants are undoubtedly arriving faster in Palestine at present than they can be economically disposed of. Tel-Aviv, to which most of them first gravitate, is badly congested. Early last summer its population was quoted as 65,000. Now it is said to be 110,000. There are hardly houses to hold the people, and the building trade is coining money. Yet this packed agglomeration of people finds it hard to disperse elsewhere. Some are said to be waiting for the completion of Jerusalem's new water supply, which is due this year, before moving thither. Others would certainly spread to the colonies which are strung out along the coast northwards through the orange-belt, if only the communications in that direction were better. During the heavy rains this winter many of these settlements have been cut off for days from the rest of Palestine through floods which made their roads impassable. The construction of a main trunk road from Jaffa and Tel-Aviv to Haifa, which would link these centres and serve as an artery of communication for the orange-belt, strikes one as one of the most urgent needs of Palestine at the moment.

Land speculation still continues on the craziest scale. Land in the neighbourhood of Jaffa and Tel-Aviv which a few years ago was worth £10 an acre now fetches from £300 to £400. It is not surprising if the Arab owners are tempted by these figures, though an idea seems now to be current among them that there must be something wrong with the money for such prices to be possible. The sellers mostly make haste to reinvest the purchase price in cheaper land elsewhere, either farther south in the Gaza district or in Trans-Jordan.

The continuation of the land boom on this scale is causing some anxiety to responsible Zionists, and it is noticeable that there has been less vehemence of late in the complaints against the restrictions on Jewish immigration. The inflated prices will be a heavy handicap to future development of any kind, and at some time or other someone will have to shoulder the burden. The prices are all the more unjustified since the margin of profit to be made on orange-growing is considerably less than it was a few years ago. Up to the present the growers are still getting satisfactory prices, but those who are counting on a yield from money invested in the higher-priced land of recent years will almost certainly be disappointed. It is worth noting that the Jewish growers are being forced to employ more and more of the cheaper Arab labour on their plantations in order to make them pay, with the result that this season there has been a striking absence of the usual disputes between Jewish and Arab labour in the orange-belt.

Another event of interest to the Jews is the decision of the French authorities in Syria and the Lebanon to allow the settlement of Jews in those countries, provided they do not advertise Zionist pretensions and do not settle near the Palestinian frontier. This decision by the Syrian authorities confirms the general belief that it is only a matter of time before Jewish immigration into Trans-Jordan will begin, whither agricultural depression and low land prices are attracting capital like a magnet. The inclination now showing itself among Palestinian Arabs to buy land for speculative purposes in Trans-Jordan is an indication that they regard its penetration by the Jews as a foregone conclusion.

MELBOURNE LAND VALUES

The centenary of the foundation of Melbourne is a fitting occasion for the publication of *A Study in Central Melbourne Land Values*, by Mr E. J. Craigie, M.P., issued by the Henry George League, Adelaide (price 3d.).

On 8th June, 1835, John Batman rowed up the Yarra River. He found that the river was "all good water and very deep" for a distance of six miles. He was evidently a man of foresight for he promptly declared: "This will be the place for a village." He had already explored some of the country and had entered into an agreement with the native chiefs for the purchase of 600,000 acres of land at the price of a comparatively small quantity of knives, tomahawks, mirrors, scissors and other articles prized by primitive people. The transaction was recorded in a deed drawn up with all the elaboration with which such deeds were made in England including an attestation clause stating that the deed was signed, sealed and delivered after having been fully and properly interpreted and explained to the chiefs. The home Government was evidently not unduly impressed by this statement and annulled the transaction.

On 4th March, 1837, Sir Richard Bourke landed from H.M.S. Rattlesnake for the purpose of providing some form of government for the new area. The port at the mouth of the river was named Williamstown and the adjoining inland village was called Melbourne after the Prime Minister. Streets were laid out in ten-acre blocks, which were sub-divided into 20 half-acre plots. Five blocks comprising 100 plots were sold in Melbourne by public auction on 1st June, 1837, and a similar number were sold on 1st November.

The total price paid for the 200 plots was £6,916. The present day unimproved value of the same hundred acres of land is estimated at £23,206,950. The average increase in value has been 3,355 times the value a century ago.

Among the purchasers of plots was John Batman. Another was J. P. Fawkner who divided with Batman the claim to be the founder of Melbourne. Four plots at the corner of Collins Street and Swanston Street were bought by Henry Howey, the captain of a schooner which had called with a cargo of sheep. He paid for them £140. They are valued to-day at £1,051,000 unimproved value and are still owned by the heirs of the original purchaser.

Mr Craigie prefaces his pamphlet with a quotation from that passage of *Progress and Poverty* in which Henry George pictures the progress of a society from the first settlement of the "unbounded savannah." How appropriate this is to the history of Melbourne. "The productive powers which density of population has attached to this land are equivalent to the multiplication of its original fertility by the hundredfold and the thousandfold. And rent, which measures the difference between this added productiveness and that of the least productive land in use, has increased accordingly. One settler, or whoever has succeeded to his right to the land, is now a millionaire. Like another Rip van Winkle he may have lain down and slept; still he is rich—not from anything he has done, but from the increase in population."

We congratulate Mr Craigie upon the issue of this fascinating and instructive pamphlet which deserves a very wide circulation.

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