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Land Speculation

Author(s): Richard T. Ely

Source: *Journal of Farm Economics*, Jul., 1920, Vol. 2, No. 3 (Jul., 1920), pp. 121-135

Published by: Oxford University Press on behalf of the Agricultural & Applied Economics Association

Stable URL: <https://www.jstor.org/stable/20171665>

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JOURNAL  
OF  
FARM ECONOMICS

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VOL. II.

JULY, 1920.

No. 3

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LAND SPECULATION.<sup>1</sup>

RICHARD T. ELY,  
UNIVERSITY OF WISCONSIN, MADISON.

*Speculation Defined and Described.*—In his essay on the “Human Understanding” the great English philosopher, Locke, called attention to the fact that our discussions are very frequently unprofitable because we attach different meanings to our terms. A word is a sign of an idea, but, if to you it is a sign of one idea and to me a sign of a different idea, we are talking about different things when we think we are talking about the same things.

It is well to bear all of this in mind when we discuss speculation in general or land speculation in particular. Perhaps there is no economic term so frequently used to which a greater variety of meanings is attached, and, furthermore, these meanings lack sharp lines of demarcation. A little questioning by a modern Socrates would involve almost anyone of us in worse confusion and more self-contradiction than the ancient Greeks were in when put to confusion by the wisest of all their philosophers.

As the term speculation is a legal, as well as an economic term, it is natural to turn to law dictionaries to see what light they may throw upon the idea. In Bouvier’s Law Dictionary, the word is not found, while in Black’s Law Dictionary, the following is all that is given:

Speculation. In commerce, the act or practice of buying lands, goods, etc., in expectation of a rise of price and of selling them at an advance, as distinguished from a regular trade, in which the profit expected is the difference

<sup>1</sup> Paper read at the tenth annual meeting of the American Farm Economic Association, Chicago, Illinois, November 12, 1919.

between the wholesale and retail prices, or the differences of price in the place where the goods are purchased, and the place where they are to be carried for market.—Webster.

If we consult the Century Dictionary, which makes special claims for the excellence of its treatment of legal terms, we find the following:

The investing of money at a risk of loss on the chance of unusual gain; specifically buying and selling, not in the ordinary course of commerce for the continuous marketing of commodities, but to hold in the expectation of selling at a profit upon a change in values or market rates. Thus if a merchant lays in for his regular trade a much larger stock than he otherwise would because he anticipates a rise in prices, this is not termed speculation; but if he buys what he usually does not deal in, not for the purpose of extending his business, but for the chance of a sale of the particular articles for a profit by reason of anticipated rise, it is so termed. In the language of the exchanges, speculation includes all dealing in futures and options, whether purchases or sales.

“The establishment of any new manufacture, of any new branch of commerce, or of any new practice in agriculture, is always a speculation from which the projector promises for himself extraordinary profit.” Adam Smith, “Wealth of Nations,” I. x. 1.

If we test these definitions by applying them to land speculation we observe that we must look further to find any very helpful notions as to this idea, speculation, so far as the land is concerned. The definitions would exclude from the class of speculators any individual or company buying land regularly at wholesale, even in hundred thousand acre tracts and selling it at retail, no matter what might be the difference between price paid and price received, no matter what the nature of the operations otherwise, no matter how injurious on the whole might be the operations of the wholesale dealer in land. Yet most thoughtful people would regard such a dealer as the type of a very bad kind of land speculators. On the other hand, the definition given in Black's Law Dictionary, would place among speculators the school teacher who should buy a single lot in a city, gradually paying for it out of his earnings, and using it thus as a kind of savings bank, if he made the purchase in the expectation of an increased price and selling it at advance. The teacher might be holding it anticipating correctly that in two or three years a better utilization of the land than the present would appear, in the meantime, paying taxes and special assessments and thus helping to bring it into its appropriate use.

The Century Dictionary, however, brings into its definitions, one or two ideas which we all recognize as playing a part in what we properly designate as land speculation. These ideas are large risks, danger of unusual loss and hope of large gain. When we, perchance,

speak of investment in land as socially desirable, while warning men and especially women against speculation in land, in other words, when we say, invest in land, but don't speculate in land, we have in mind just these ideas.

Mr. A. Barton Hepburn, of the Chase National Bank of New York, has an article in the *American Magazine* for November, 1919, entitled "Don't Speculate and Don't Listen to 'Tips' on Stocks," in which he defines as follows investment in stocks and distinguishes it from speculation. "Investment is buying stocks after the value is proved. Speculation consists in trying to guess what the value will be." And then he adds these wise words: "buying stocks on the prospect of a company striking oil or discovering gold is like betting that you will find money on the sidewalk." If we substitute the word land for stocks, in Mr. Hepburn's definition we shall have made some progress in determining what speculation is, but we shall not have done more than taken the first steps in our quest.

It is interesting to see in what ways the term speculation is employed when it is used in regard to the land. Generally speaking, the prudent purchase of land is a better investment for the ordinary man than stocks and bonds, because in the former case he does not pit his judgment against the machinations of a board. For example, you buy some stock. You know some of the facts with regard to the stock, but you cannot know all the facts which are known to the president and the board of directors, even supposing they are honest and do not want to swindle anyone. But, if they do not want to be honest, the buyer is playing with dice loaded against him. If you call attention to the fact that women may well make investments in land, but say that they must avoid speculation in land, because where speculation is involved the risks become great, what do you mean by speculation? If you consider the thing from the standpoint of the individual you mean not to seek high gains, but to buy land where the values are established, where the returns are small, but comparatively safe; you mean not to go out into the districts where the value depends on future developments that are always more or less uncertain.

This is a case in which speculation is used merely from the point of view of the safety of the individual making the investment. It does not imply necessarily that the one who governs his purchase by the advice just mentioned is ethically better than the one who goes to the outskirts of a city. Perhaps in a given concrete case the latter is rendering a greater service than one who buys at the center of the town.

Probably the ordinary man when he speaks of land speculation thinks of it as *mere* buying and selling without the contemplation of other changes than time changes, more or less great. When other elements enter in, like the erection of buildings upon the land, the operation would cease to be regarded as *mere* speculation. If the buildings were constructed to satisfy an apparent social need and were sold at a reasonable profit, the ordinary man would think of it as an investment of capital, so far as the buildings are concerned, even if he regarded the purchase of the land as speculative. However, there are all sorts of shadings in the popular mind in the meaning attached to the terms speculation and investment. When the transaction of buying the land and putting improvements on it apparently involve no large profits, the term investment would ordinarily be employed.

Sometimes we employ adjectives to bring out more clearly the idea that we have. When we use the words, mere buying and selling, mere speculation, a certain reproach is implied. The implication is that the mere buyer and seller, the mere speculator, seeks simply his own advantage and does not aim to make a return for the gain he seeks. If we go beyond this condemnation, negative in character, to positive wrong committed, we have in mind the man who passes from carelessness with respect to the interests of others to conscious exploitation. This is speculation of an admittedly bad sort and implies absence of consideration of private interests and also of public interests. The dishonest real estate man whose limitation of exploitation is found in his fear of the criminal code is one type of a bad speculator; one happily becoming less common as the real estate business gradually takes on more and more a professional character.

The buyer and seller of land who is abreast of the ethical sentiment of the day emphasizes the service idea and endeavors to square his conduct by this idea. He, however, may recognize service where others less experienced, may not perceive it. Often it may be hard for the observer to draw the line in particular cases, especially as the ultimate purpose in buying and selling may not be disclosed at once.

We have, then, so far in our discussion discovered that in the popular mind there may be a distinction between speculation, *mere* speculation, and bad speculation. Would we find a general recognition of speculation as normally and regularly good speculation? Doubtless when we use the term in general and especially when we use it as applied to land, it would attract attention if we should say "the good speculator."

*Land Speculation Contrasted with Speculation in Commodities.*—When we come to movable goods, speculation may include place changes, as well as time changes. Commodities may be bought for anticipated time changes, and they may be bought in order to transfer them from a place where less needed to a place where more needed.

Professor Alfred Marshall distinguishes between speculation in goods and speculation in land. In the case of goods he says that speculation may increase the supply of a particular kind of goods, for which there is special need and thus divert capital and labor to supply more pressing rather than less pressing social needs. He says of the supply of land, however, that speculation does not increase it, because it is given once for all. This is true in the abstract and in general, but not in the particular and in the concrete. The speculator may open up new land, as he has done in the United States, where he has opened up a good deal of the land; where now probably by far the greater part of the land is being brought into use through the joint efforts of the settler and the speculator. The speculator may and sometimes does render a service. He does so when he searches for good land, when he opens it for settlement undergoing expenses that the settler alone and unaided could not defray and when he brings the settler to better land than he would himself probably select. The task of doing this well generally requires experience and special skill and is often onerous and expensive; and, if well done, it is both an individual and social service. This is what the good colonizer does whether an individual, a company, or a public body as a state. We have to do with necessary expenses, a necessary supply cost, to use the economic term. The only question is, who shall perform the service, the state (using the term in its generic sense, as meaning a public body) or some private individual.

Furthermore, speculation may and does increase the supply of particular kinds of lands, *e.g.*, irrigated lands, apple orchard lands, grape lands, city lots and, as a consequence, dwellings.

*Speculation in the Economic Sense.*—Let us now turn from questioning of the man on the street to economics. John Stuart Mill gives a description and defense of speculation in what might be called the strictly economic sense. The speculator, as described by Mill, performs a real service. He studies carefully movements of supply and demand and, if he is qualified for his social task, he is able on the whole and in the long run to look a little further ahead than others. He sees that the supply of particular commodities is inadequate, and he purchases at one time or place in order to carry the goods over to

another time or to transport them to another place. Mill thinks chiefly of the time element. Buying now he raises prices with the result that people begin to be more economical in their consumption with the further result, however, that later on the prices are lower than they would be otherwise. He spreads scarcity over longer periods because people begin saving sooner than they would otherwise and much suffering may be prevented thereby. But, on the other hand, the speculator may perceive that the supply is likely to prove greater than people suppose and scarcity less and by present selling at lower prices he may enable people to consume more fully and over a longer period. The factors are extremely complex and the speculator stakes his own money on his foresight. This is more than mere guessing foresight, because it is based upon a careful study of all the factors involved and in modern times involves statistical calculations, plotting of supply and demand and price curves, etc. This is regarded as regular legitimate economic speculation and is a true social service. It may involve the storage of food articles, and cold storage, in fact, when a part of true legitimate speculation increases our food supply.

We observe that in economic speculation cornering the market and any form of monopolization are excluded. When we go on further to the possible destruction of part of the supply of commodities to maintain or boost prices we get into a different field altogether, for in such cases we are destroying and not conserving the means of life.

It is clear on reflection that speculation in the economic sense, in other words, good speculation has a somewhat larger rôle in the case of movable than in the case of immovable wealth or real estate; yet the more carefully and analytically one examines into land speculation, the more clearly one sees that it may play a useful rôle.

We shall make progress if we take another approach and travel along a different route. We are talking about buying and selling goods of a certain kind when we speak of speculation and these goods are the objects of private property: or to speak more colloquially, we are talking about buying and selling property. Land is property. It must be owned and in modern civilized society, it is for the most part privately owned. In itself, the transfer of landed property is desirable. It is in itself of no social concern that *A* buys the land that *B* owns. Just considered as a transfer of ownership, society is made thereby neither richer nor poorer. But we consider that we have made progress by removing ancient burdens on the transfer of property and introducing what is called free trade in land, making it almost as

easily bought and sold as commodities in general. The theory is that through free purchase and sale, land and other economic goods get into the hands of those who can best use them; and these are normally the ones who can buy and hold at highest prices. Unless we are prepared to go over to socialism, someone must own the land. I buy a vacant lot in a city anticipating an increase in value. Have I injured anyone? Perhaps you sold me this lot and thereby I transferred to you a sum of money, enabling you to open a carpenter shop which you conduct successfully. Who is injured? No one, but society is benefited.

I buy a farm and subdivide it into urban lots because I see the city is becoming congested. May I not be performing a service? Am I a mere speculator? Do I possibly create values and perform a social service?

Let us suppose this case: I buy a lot for you and hold it for a period of years, until you are able to build. Have I rendered you a service? I take a chance and I invest for you. But let us suppose you to be *X*, any man. Have I rendered a service?

If I buy land and hold it for appropriate use, I perform social service. A lot suitable for a fine downtown office building may otherwise be improved with a very indifferent, inferior building and hinder permanent improvement due to the fact that *A*, who sold it to me, could not hold for the best social use.

Let us take the case of owners of real estate in a thriving mid-Western city. The taxes, the special assessments mount up, and it is often said that land values must double in ten years to warrant holding the lots. Perhaps this is an understatement. The owners of the land are contributing to the general expenses of the community and the land would not so contribute if it were publicly owned. An addition to a city whether it is made by private or public agencies cannot at once be covered with houses. It is always desirable that there shall be some unoccupied land, and if this is not excessive, those who own and plan and contrive to bring the land into its appropriate use at the right time are rendering a service.

Men build to realize on their urban real estate. It is said that in the city of Milwaukee, Wisconsin, at the present time eighty percent of the home-building is of this kind. Doubtless this is true of Madison, Wisconsin. We have not the statistics available to say how generally this is the case, but certainly a large percentage of all the buildings in American cities will be of this kind. In exceptional periods of rapidly rising values men may often hold the land for



higher bids. Normally and regularly in American cities with their systems of land taxation, based on selling values and with their special assessments and interest on land values mounting up, owners are continually thinking of ways and means of getting a return by bringing land into use or better use. In many places it is scarcely an exaggeration to say that at the present time owners are lying awake nights thinking about ways of getting out their money by the utilization of the land.

Let us take another case. You own a farm in Iowa which I would like to buy. You ask \$600 an acre for it. This is said to be a speculative price and is a price, let us admit, which is not based on any probable income that the land will yield. Is society injured because you refuse to part with the land? Is there any social reason why you should sell to me for less than \$600 an acre? It is hard to see any reason why you should part with the land, unless it can be shown that I can utilize it to better advantage in the interests of society than you are doing. There may be good reasons. It may be you own a very large amount of land, a larger amount than it is considered desirable one person should own, inasmuch as there are social reasons why we should have a large number of independent land owners. If you are a landlord and have a tenant, there may or there may not be reasons of a social nature why you should part with it. On the other hand, you may be making as good a use of it as I or anyone else could make. You may be the owner of a one hundred percent owner-producing tenant farm. In other words, everyone of your tenants may become an owner.

Nor is there any reason why anyone should interfere if I desire to pay \$600 an acre for your farm because it is worth that to me, and I do not know any better use to make of my money, and provided I fully realize that I am paying a high price and am able to do so.

The injury comes in when men are misled. It may be that the misleading is due to a speculative craze, to illusions. It may be that they are misled because they do not appreciate that the price asked is based upon high values of farm products that may not continue, but may be due to inflation of the currency. Harm is done when men buy land with the idea of paying for it out of the results of their toil and are not able to do so because prices are not based upon what the land will yield. If there is a widespread miscalculation, many tenants and small men may toil for years and then lose their all. A great deal of sad wreckage is the consequence. It is a very good thing that federal land banks are holding men down to reality by bas-

ing the loans upon land values calculated with respect to what the land may reasonably be expected to yield.

It may be necessary to regulate price, but that is the last thing that should be done, because it is the most difficult and the most questionable as to the beneficence of its results. It may produce dire evils. We should try all sorts of indirect methods before we touch price. As a matter of fact, the most advanced governments of the world do not regulate price directly, but only indirectly through buying and selling land.

Is land a monopoly? It is spoken of as a natural monopoly, but, as a matter of fact, it is far from being a monopoly. If there were unified control over the land, the land owners could starve the rest of the population to death and could absorb all of the wealth of the world, as John Stuart Mill has pointed out. On account of the limitation of the supply of better grades it has a value and this may sometimes be high. All values, however, imply limitation.

When it comes to dealing in land, a legitimate business may be conducted by a company with large resources. It has happened before this in a case that has come under the writer's notice that several small urban land companies have been consolidated into one large company. Some alarm was expressed at the time, and the question was raised whether the large company was not establishing a monopoly. Subsequent experience, however, has shown that the company was not able to raise prices, which have not gone up so rapidly as before this consolidation took place. Experience has shown that the company has a very limited control and, on the whole, has increased rather than decreased competition. The large company is able to do many things for the community which the smaller companies could not do. They have been able to put up buildings and sell on very small cash payments and, in fact, have made almost any terms that a purchaser could decide upon, provided he had any plausible evidence of being a good risk.

But let us consider some other aspects of the case of the speculator who connects the land with the land user, whether in city or country. If the speculator gets in ahead of the utilizer, and simply appropriates a part of the value that would otherwise go to the utilizer, he is not doing a social service, but a disservice; for it is in general socially better that the values should accrue to the utilizer, *i.e.*, farmer and home owner. There may be an unearned increment in either case, but it is better that it should be widely distributed and connected

with the toil of the farmer or in the city with the one who is homeowner.

In the settlement of Iowa, it is said that the farmer-settler found the speculator at least just a little ahead of him and had to pay a higher price than would otherwise have been necessary. Thus it took him longer to get on his feet, so to speak, and longer for Iowa to become prosperous and to reach a stage of prosperity like the present. We are not now considering the case of the speculator who asked dishonest prices or who was dishonest in the representation of the quality and other advantages or disadvantages of the land.

The aim of our government in its land policies, especially as seen in its homestead and other laws relating to land utilization of publicly owned land, has been to connect service with the acquisition of land, and to bring the values into the hands of actual users. But owing to imperfect laws and still more to imperfect administrative machinery, it has succeeded in this only very imperfectly.

One other point needs attention. It is said that the case of urban land is different from that of agricultural land; that the speculator may be holding the urban land for a better use, but that this can hardly be the case with agricultural land, for one use does not preclude another. Land may now be used for pasturage and that may not interfere with its subsequent use for wheat or even orchard culture. This is true; and so far as speculation may hold super-marginal land from its best use at a particular time and place, it is injurious. This does not happen to a great extent. Far more injurious is it when the speculator brings the settler to sub-marginal land, as so frequently happens. Here we have a waste of capital, a waste of labor and wrecked lives. This is a great and crying evil and in extreme cases one of the remedies is prison bars.

Let us now consider some current objections to land speculation, to buying and selling land freely. It is connected with high prices for land. But buying and selling in themselves cannot raise prices. It has often been tried in stocks and bonds. If it were possible thus to raise prices, there would be an easy road to a fortune for everyone. Other causes must be back of the higher prices.

1. One of these causes may be a perception of a time situation by those who receive the higher price. Every growing city affords illustration of some gain and often of more loss by those who think they see a demand which will raise price. If price rises, it remains to be seen if the higher price can be maintained. Let us suppose that I think that in one part of the United States with which I am

more or less familiar, I believe land prices are going to increase. If I should invest and realize gain, I would have perceived a situation earlier than many others. Supposing, on the other hand, I believe that in some of our states present prices are unduly inflated and are going to fall. If I am correct in this hypothesis, it may be of advantage to me. The speculation for gain from a fall in prices is not so simple in the case of land, as it is in the case of stocks. But, if, on the other hand, I am in the public service and have to do with land values, or if I am a banker and have to do with credit which affects prices, or if I am an editor of a newspaper, I may in any one of these cases, as well as in other cases, render a service by using my efforts to call attention to the fact of inflated prices and in endeavoring to bring them down to a proper level.

2. The cause of higher prices which lead to buying and selling land freely are at times due to certain psychical conditions. These may become general and illusion widespread. We may have a craze on the order of the tulip craze in Holland and such crazes about stock values as occur from time to time. The result is our land booms which leave sad wreckage. The illusion in regard to developments bringing about increased high prices may be heightened and promoted by the shrewd and cunning, who thus become social enemies.

Let us look at the matter from the standpoint of a well-developed real estate boom, such as took place thirty-odd years ago in Virginia. People got to the point where they thought it only necessary to buy a piece of land and plat it, and that you could build up a city almost anywhere! Of course, in few cases, if any, did those plats ever become cities and the land went back to agricultural uses later. In Madison in 1857 the land to the west of the city including Observatory Hill was platted and then went back to farm uses later. With what kind of phenomena are we dealing here? Well, it is a kind of a craze. People sometimes lose control of their reasoning processes. It is a case of certain psychical phenomena which repeat themselves from time to time. You have here a peculiar manifestation. You have to ask yourself what is the limit? Or, can you prevent this? Is the case different in the case of land from what it is in the case of stocks where you see, perhaps, a greater wreckage?

A little book by Professor E. D. Jones on "Crises" is instructive in this connection. He asks why it is that a boom period, then a crisis, then a period of stagnation, follow each other about once in a generation. He explains it on psychical grounds. People are full of hope of quick gains; their hope and optimism have not been

dampened by experience, so they plunge. They keep buying and selling, then comes a crash because things have been carried beyond reason. That generation has learned the lesson; they will not do the same thing again. Then the next generation learns the lesson by practical experience. You have a new set of men, deluded and carried away by false hopes.

This buying and selling, whether in the case of stock or in the case of land, may develop to a point where it is almost pure gambling, but we cannot stop buying and selling. We have to seek for remedies for illusions in education, in information, and for fraud in an extension of our Blue Sky Laws and adequate publicity and the responsibility of promoters for their statements, but we return to remedies later.

Let us consider some of the other evils, actual or alleged, connected with speculation. Options for land purchase have been condemned as a frequent preliminary phase of speculation. Perhaps giving and taking an option could be called dealing in futures because options look forward to a future which is, as a rule, uncertain as to the values of the land on which the option is taken. But options are simply part and parcel of the free movement, the free sale and purchase of land, and are good or bad, just as the total transaction is good or bad. Let us consider a concrete case. The writer knows a man who took an option on the land that is now a part of a mid-Western city. He paid a dollar for it, and then formed a company. What harm did he do? If he had at heart to less extent the public interest than the owner from whom he took the option, then that was a social injury. But it is quite conceivable that the man who took the option knew more about what was to the public interest than the owner. It may be that the man who took the option made a better use of the land than would or could the man who owned the land. It is probable that was the case and that thus there was with equal probability a social gain. And if he made \$5,000 from the transaction, can it be assumed that the man taking the option did not make as good a use of this gain as would the man who gave the option, had he been able to secure this additional sum for the land?

Now, you buy a lot in the part of the city we are talking about. So far as the purchase of the lot is concerned it is indifferent to you what is the name of the man who owns the land.

Options may be used badly. It is even probable that some special regulation may be required to prevent abuses in land dealings connected with options. But this special aspect of our subject does not require further treatment here and now, as our space is too limited.

Let us take up the question of holding the land out of use. Speculation aims to bring land into use. This must be the result under our American system of taxation and special assessments and it may do so too rapidly, as in the case of forest land and mineral land.

The super-marginal land of the country by and large is used. Exceptions are only a minor matter. O. E. Baker has simply shown this in his work on "The Arable Land of the United States." (Separate from yearbook of the U. S. Department of Agriculture, 1918, No. 771.) In old country in particular land is used.

In the case of urban land, some is taken out of better and put to inferior use, when we have undue extension of cities and unwise platting. But some margin is desirable for emergencies and for future development. As has already been pointed out, the land in an addition to a city cannot all be utilized, for to do so would involve enormous waste. Certain reserves of land are essential to prosperity. Moreover, it is worth while to remember what John Stuart Mill says about land and population. He said he would not want to live in a world in which every land had a full utilitarian use.

*Evils and Remedies.*—We see that we have to do with good speculation and bad speculation. As to good speculation, to avoid misunderstanding in popular discussion, some other term may be desirable, like investment, or we may use some qualifying phrase, like *speculation in the economic sense*. The evils of speculation are very great, but they are somewhat different from the evils as pictured in the popular imagination. The remedies, on the other hand, are far more complex and difficult. They are largely indirect. Just as capital implies indirect processes, which add to the wealth of society, it is pretty generally the case with remedies for economic evils that in our complex modern society they are indirect and roundabout. Just as those who are working to remedy evils connected with the labor situation find their greatest obstacles in the man with the panacea, so the great hindrance to constructive land policies which provide remedies for remediable evils is the man with his formula. For this closes the mind. We have four great evils. Bad planning, bad distribution of population, unwise selection of land and an inadequate idea of service as connected with property in general and land in particular where the stewardship of wealth needs special emphasis.

But why, it may be asked, should we particularly emphasize the evils connected with bad land speculation? One reason is the immovability of land and the difficulty of rearrangements and readjustments. If a city, like Superior, Wisconsin, is laid out on too large

a scale, involving great waste in the needless expenditures for roads, transportation and public utilities, the remedy is difficult, and it may take generations to bring about a readjustment. Vacant lots cannot be shipped from places where not needed to places needed as we can ship commodities. But there is a special reason why we need safeguards for evils connected with speculation in land, because of the number of users of land and because it is a kind of an investment that appeals to the economically weaker elements in the community—the teacher, the carpenter or other mechanic, the preacher. Land is connected with homes, and it is desirable in every way that it should be so handled as to increase home ownership. *Laissez-faire*, it is found, does not work. It has always broken down and is now breaking down in every old and well settled community. Government regulation is necessary. We have had more or less of it in this country, but we need more. Land Commissions, both for city and country, are needed to help the settler or the user of land to get on the land in the right way and under right conditions. To prevent waste, we need planning, and what is called in New Zealand closer settlement to avoid the waste of scattered settlement which always results from *laissez-faire*. For cities and countries both we need planning, and plans should receive the approval of competent boards.

We can well raise the question as to public or private ownership of land for the extension of cities. Savannah in Georgia and Ulm in Germany furnish us illustration of purchases of land by cities themselves for urban extensions. Much can be said in favor of public action in cases of this kind, and the question will largely be decided in specific cases by the character of the city government which actually exists or is to be hoped for. Here as elsewhere, the great problem of the twentieth century is one of administration far more than it is one of legislation.

In any case we cannot dispense with private ownership and private effort. In a state like Wisconsin we find many land companies of long experience and of good purpose. Thousands of men are doing what they can to bring the land into its best utilization. The great function of land commissions must be regulation and encouragement of private effort. Nevertheless, the world experience seems to show that to a greater or lesser extent all governments must be in the land business, buying and selling land in the general interest. The government must look upon itself as a trustee of the land for society.

There is a great deal of land which is sub-marginal and for which public ownership is desirable. Land must be purchased also in order

to bring about orderly plans of development. We consider all of this elsewhere in our discussion of land policies.

We have remedies for all evils in voluntary purchase, in condemnation, in the police power and in the distribution of the burdens involved in changes through taxation. Always our aim must be PROGRESS WITHOUT CONFISCATION, always our aim must be above all to anticipate evils.

Finally it should be remembered that all collective action is not governmental action. Private organizations are already doing a great deal to bring about proper land utilization and prevent the evils of bad speculation. Where government is unable or reluctant to do its part in the land business, there is all the more need for private effort. Chambers of commerce are realizing their opportunities more and more, and bankers are looking upon the man who wants to buy a home either in the country or city in a new light. The City and Suburban Homes Company, of New York City, gives an illustration of one kind of service which can be wisely and widely extended. Land is bought and improvements made on it, the effort being to give the best possible in the way of tenements and other homes consistent with a very modest return on investment.

We need not continue our illustrations. Every sound land policy helps to remedy the real evils connected with land speculation and to strengthen the arguments for land as a sound and conservative investment.