

Don't speak too soon!

Sir: The incipient euphoria evident in the editorial and the 'Insite' analysis (Sept.-Oct. 1983 issue) brought on by Mrs. Thatcher's reported breaking of the landowners' grip is surely a wee bit premature.

Certainly nothing is more urgent than a complete change of heart where the land is concerned. I live on an island where the abuse and circumscription and dereliction of thousands of acres of land is morally criminal – but care must be taken not to be misled, literally. Any change of heart in the current political elite of any party must be treated with the utmost caution.

There are two extremes of assessment of modern politics. It might be argued, sympathetically, that our democratically-elected leaders are doing the best they can for the welfare of British citizens but are hampered by world recession not of their own making. Or, cynically, you might believe that politicians are in it for the money – mere instruments of the commercial system. There is some evidence for the latter view.

It might be hypothesized that modern government is the science of monetary deliquescence – the process of becoming liquid.

It first gets money into the exchequer, mainly by taxation, and then gets it out, legally, and disburses it in ways which some thinking people find difficult to understand – agricultural subsidies, nuclear power and armaments,

LETTERS TO THE EDITOR

motorway building, compensation under the Wildlife and Countryside Act, etc – but which inevitably results in someone becoming very rich.

If you accept this latter, admittedly cynical, assessment as providing the 'worst case scenario', do you also feel that these people who have come to power via the existing tortuous electoral channels and the supra-histrionic arts of Messrs Saatchi and Saatchi and their ilk, are the best, the desirable, even the likely people to lead us all into the sort of land reform that is probably our only chance of true civilisation? There is at least the possibility that any government move toward reform of taxation in any way is merely an attempt to increase the level of exchequer revenue.

I feel that there is some way to go yet before some form of 'land value taxation' becomes even a popular ideal. We must beware of squandering what credibility we have in endorsing the misleading and discrediting policies of the wrong leaders.

Donald Boardman
Islay, Argyll,
Scotland

A relief against inflation

Sir: Professor Cord's article (*Land & Liberty*, May-June 1983) presented six ways of protecting homeowners when land value taxation is introduced. I would add a seventh: *Inflation Allowance*.

One reason why Proposition 13 passed in California was that inflation had made taxes go up faster than pensions. Therefore when a homeowner has lost 40 per cent or more of his buying power through inflation, he should qualify for land-tax relief equal to half his inflationary rate of loss. Thus if his pension or other income rose only 20 per cent while taxes rose 80 per cent, he would pay only 50 per cent more, not 80 per cent.

Tertius Chandler
Berkeley, California

SINN FEIN

● From back page

labour – to those who provide the capital equipment and the human muscle and brain of farming and industry – would be no greater than it is today.

So where do Sinn Fein supporters go from here? Do they continue to support a mean and furtive armed struggle which, after more than a decade, can clearly never succeed and which, even if it did, would yield no spoils of war worth having? Do they continue to condemn innocent people, of all religions and of none, to maiming or slaughter while the Six Counties slide steadily down the road to impoverishment?

All rational signals point to the wisdom of calling a halt to the killing and the bombing; of turning back to the arena of peaceful politics and adopting policies – such as taking the rent of land into the public treasury – which, while not needing the gun to implement them, would do more for the workers of Ireland than all the violence of the past 14 years.

REFERENCES

1. *Land & Liberty*, July/Aug. 1983, pp. 62-63.
2. *The Land for the People*, published by the Research Section, Department of Economic Affairs, Sinn Fein The Workers Party, £1.50.

It's nothing personal . . .

Sir: One has to be careful about the use of the word "speculation". Strictly, it should not be used in a personal sense.

It is derived from the term "speculative rent". This describes the situation when landowners have seen their land increasing in value as the community progresses.

Say a landowner had held his land for 8 years. Assume too – as would most likely be the case – that there had been steady increase in prices over the years. Then, in the present – year 8 – the question of disposal arises. The natural value reflecting present demand, etc., would be represented by £x. In the present knowledge of the near certainty of future increase, he would not part with the land at £x – he would want £x plus 2 or more years' increase. Thus he takes from current production not only economic rent but the speculative 2 years, leaving even less for labour and capital by way of wages and interest respectively, making it difficult, if not impossible, for those elements to prosper.

Speculative rent has been defined as "demanding a part of tomorrow's output today", which puts it rather well.

Sometimes this process has been lost sight of when one speaks of "a speculator" as one who buys land today and tries to sell it later – possibly, in these days, organising planning permission in the process.

In a long legal career I have seen as many casualties as successes, for usually the speculators borrow to buy and then have to wait (without income in the meantime to meet the high loan interest) to put a development scheme together and effect a sale. Many of them failed. Fringe banks were caught in this way and huge losses were suffered with resulting bankruptcies of the speculators and failure of the banks too.

In one sense, the "speculators" were providing a public service by bringing into use land that had been held out of use while seeking the increased price. The parasite was the traditional, usually large landowner who sold land at the speculative price. He was away with the spoils without any risk, and with no publicity or acrimony directed towards him.

Edgar Buck,
Cardiff, Wales

SECONDHAND & ACADEMIC BOOKSELLERS

THE GLOUCESTER ROAD BOOKSHOP

123 Gloucester Road, South Kensington, London SW7 4TE

Telephone: 01-370 3503/01-352 7420

Hours: 8.30 am-10.30 pm Mon-Fri, 10.30 am-5.30 pm Sat & Sun