

LEFCOE'S LAND SPECULATORS

SIR — Your article in the November-December issue entitled *Professors and the Land Tax* contains passages by Professor George Lefcoe upon which I cannot refrain from adding my own comments.

Professor Lefcoe's belief "that there is a role to be played by land speculators" means, I suppose, a useful role. He is quoted as saying "... speculators hold land out of use which ought not to be put to immediate use." Says who?! If land use where I live is to be manipulated by forces other than the natural laws of the market place I want that manipulation to be done by my duly elected representatives to the government, not by self-appointed regulators who obtained the power to regulate through the ownership of land. If the time has not yet come for the more ambitious use of a piece of land the rent will reflect that fact. What is the harm if a man wants to build a single family house on it? Or, on the other hand, if it is true that the particular land in question ought to be held for a few years pending a future highly beneficial use, then the owner will be able to hold the land even if he must pay the land rent to the government

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as a tax. In a sense he will still be speculating, but in land use instead of in unearned profit from land ownership.

The other point I wish to deal with is the other prong in Professor Lefcoe's "two pronged attack" on land-value taxation. He speaks of the possibility of a net loss to society from adopting land-value taxation, using the rising and falling of land values in his calculations. The Professor has lost sight of something he surely must know. Land value is not wealth. The rental value of land is how much wealth already produced must be given up in order to obtain the privilege of using the land. The market value of land is the capitalization of the net rent. This is wealth the owner can obtain but not wealth he has produced. The rise and fall of the market value of land does not measure the increase or decrease in the amount of wealth society possesses. The gain or loss to society must be measured in terms of increase or decrease in productivity. Only if collecting the economic rent as a tax would lead to decreased production of wealth would society sustain a net loss.



● George Lefcoe

It is the *failure* to collect the land rent as a tax that has already led to decreased production. Collecting it would relieve labour and capital of the burden of supporting the land monopoly. Maldistribution of wealth would disappear. Productivity would be limited only by the limits of ambition and capability of the producers and by the earth's ability to supply the raw materials and absorb the waste.

In the professor's illustration, if the land rent is collected as a tax in both location I and location II then there must be some reason other than the influence of taxation that has led to greater improvements in one area than in another. The rise and fall of land rents does not initiate but follows the economic changes that occur in a given location. If a new and better highway is built in location I but not in location II then rents will rise in location I and not in location II. The residents and businesses in each area will then be paying for what they are getting.

Establishing land-value taxation may hurt some of Professor Lefcoe's precious land speculators but it will certainly never lead to a net loss to society.

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William Edward Enright

WE ARE sorry to report that Bill Enright died, at the age of 78, on January 6, after a massive stroke. He was an outstanding and lifelong advocate of Henry George's philosophy.

His sister-in-law, Mrs. Betsy Harris of Kimber Henry George League, writes: "Bill came to our farm 60 years ago to work for my father, the late James A. Sampson, who introduced him to Henry George's ideas and practical proposals. Bill was a sincere believer in absolute freedom and considered *Freedom the Only End* one of the best contributions to Georgeist literature."

Mr. Enright's funeral was held in Adelaide and among those who were present and paid tribute to him were Mr. Lewis Ellis and Mr. George Jukes.



● David Steel

ALLIANCE FOR WHAT?

SIR — For close on a century the Liberal Party has advocated the breaking of land monopoly by means of the taxation of land values, but at its assembly in 1943 this policy was undermined by a resolution supporting a scheme to purchase land that would endow privilege at public expense. The Party also abrogated the old free trade gospel of Liberalism, passing a resolution which declared that the reduction of British tariffs was a matter of reciprocity dependent on international agreements.

Gravely concerned with this betrayal of the principles of Liberalism, a few well known Liberals formed the Liberal Liberty League in an attempt to rescue the party from the slippery slope of State paternalism and serfdom.

We were opposed by Jo Grimond and his Radical Action Group, who including David Steel, have led the party into decisions favouring the extension of State subsidies, patronage and control over a substantial part of commerce and industry. The recent alliance with a group of the Socialist Party signifies the demise of the Liberal Party as such.

The true concept of a Liberal society is, that men cannot authoritatively plan and impose a good life upon a great society, that this can be entertained only by men who do not realise the potentiality of personal effort, or the infinite variety of human purposes.

The Liberal objective is not a society committed to the decisions of a few finite politicians here and there, but to the whole genius of mankind made free from arbitrariness of any kind. Retribution cannot long be delayed.

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