

Re Craig Cringan's Defense of Land Speculators

By LAWRENCE D. CLARK, SR. (Medfield, Mass., USA)

The title of Mr. Cringan's article (GJ No. 51) is "In Defense of Land Speculators", but in his last paragraph he writes of defending land speculation. My father always said you must hate the sin, not the sinner. There is a big difference.

The analogy is not perfect. Land speculation is not illegal. It is not sinful to play the game to win as long as you play by the rules. Land speculation is bad for the health of the economy, but certainly it is not the fault of the speculators. It is the fault of those who have written the rules of the game wrong.

When a Georgist speaks harshly of land speculators, he or she is not thinking of such cases as the ordinary homewoner, mentioned by Mr. Cringan, "who thinks that increasing property values will help him (or her) to escape from an impoverished old age." The Georgist is thinking of the professional land speculator who routinely buys land and holds it until it doubles in value and then sells it for 100% profit without having produced one cent's worth of wealth. Even such a speculator is not to blame except to the extent that he or she may have taken an active part in opposing the Georgist tax reform that would make land speculation impossible.

Mr. Cringan demonstrates in his last paragraph that there is a flaw in his thinking. He correctly states that the problem with land is its under-taxation. He also correctly states that the over-taxation of productive work is a bad problem. He goes on to say that if we could eliminate taxes against work and the products of work, land speculation would be O.K. with him.

Mr. Cringan does not seem to understand that you cannot have it both ways. In order to eliminate the taxes on productivity it will be necessary to fully tax privilege. Taxes on capital and labor must be replaced with taxes on land values at a rate sufficient to take the whole of the economic rent, making land speculation impossible. The disappearance of land speculation is a consequence of the reform necessary to get taxes off work and the products of work.