

To the Editor:

I have recently finished the Fundamental Economics course, and have been very much impressed with Henry George's single tax theory. But I have some serious reservations—not as to its justice or as to the ease which it can be put into effect, but as to the extent of the benefits which will result from the introduction of the single tax.

For instance, one such reservation is this:

Ground rent seems by far to be the smallest of the three factors of production. These factors reveal their relative importance by their proportion to the average prices of representative articles. Judging from my own necessarily limited research, from popular conception (or of course quite possibly misconception), and from the figures of the National Bureau of Economic Research, ground rent consists of only 15-20 per cent of the total price of an average article, at the most.

The figures of the National Bureau of Economic Research (compiled by Raymond Goldsmith) indicate that in 1948 that land value constituted only 17 per cent of the total value of wealth and land here in the United States.

If ground rent is therefore such a small factor of production, the single tax will perhaps not yield such tremendous benefits as to counterbalance the tremendous upheaval (principally loss of land value to landowners without corresponding benefits to society) that will result from its introduction.

And even if the exactitude of the above figures be disputed, certainly rent does not so completely overshadow (by proportion) the other factors of interest and wages as the 4-3-2-1 diagram and theory would leave us to believe. For surely 1,000,000-500,000-10,000-20 (expressed most probably in terms of dollars) would more nearly represent our modern industrial and urban society, as had been pointed out in class, which would make wages and interest about .000006 as important as rent, which is of course not so.

I would very much appreciate any opinions or comments as to the above.

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