

Letters to the Editor

ECONOMICS OF LAND VALUES

SIR, — Contrary to what some people have argued, a rate or tax on the value of agricultural land (exempting improvements) would *not* be added to the price of agricultural products. After the current rate of interest for capital and wages for labour has been paid away, what is left over represents the economic rent of land, which, when capitalised, equals the selling price. Rent will be high or low according to the natural productivity of the soil. (Rent will be nil on marginal land).

What is taxed under land-value taxation or rating is Rent — the surplus over and above what is needed to pay interest and wages and to bring the produce to the market at current prices. Rent, as every economist agrees *does not enter into price* and therefore must bear the tax, leaving wages, interest and prices unaffected.

Yours faithfully,

L. J. CLINTON-BROOKE

Bridgwater, Somerset.

U.S. FARMING

SIR, — Regarding my questionnaire and answers published in the February/March issue, I have asked other farmers, but have not found any who received a questionnaire—or will admit to receiving one! I do not know how widely it was circulated — but this particular one evidently was limited to Ohio. And Ohio is not really a “big” farm State — with less than five per cent of its population gaining their livelihood from farming.

The questions regarding willingness to sell or lease the land to the Government rather startles me when I think of it. I am really surprised that this questionnaire has not been severely criticised by certain segments of our press here. The extreme right, I would think, might have some alarmist remarks on this proposal, and, I rather think, justified alarm.

The new Congress will eventually get around to some “new” agriculture legislation. From opinions of the experts it appears that the trend will be away from loans/storage to a direct payment system — in the form of a subsidy per unit of product to make up the difference between market price and what is termed “parity” price. This subsidy will doubtless be limited to those who agree to curtail acreage. There is talk of limiting the

amount for any individual, too, because some of the giant plantation-type operations, operating something like a factory, with hired workers, have at times received fantastic Government payments. This is where bigness seems more efficient—but often it really isn’t, but seems so because it is able to get special privilege treatment.

I am watching for any information on the effect this austerity programme of Mr. Johnson will have on the price of land. Land took a temporary dip at the beginning of the Eisenhower Administration, when it was predicted that farm subsidies would be drastically reduced — but Mr. Benson was countermanded on this, and the boom in land prices resumed.

Yours faithfully,

WOODROW W. WILLIAMS

Ohio, U.S.A.

UNHEEDED WISDOM

Liberty lies in the hearts of men and women; when it dies there, no constitution, no law, no court can save it; no constitution, no law, no court even can do much to help it.

— Judge Learned Hand

The right to be left alone is the beginning of all freedom.

— William Rostler

People are always provoked by small injustices but never by great injustices. — Machiavelli

Never did nature say one thing and wisdom say another.

—Burke

Miscellany

Fortunate

“**WORK,**” said Mark Twain, “is what we are obliged to do.” Some of us are lucky enough to find congenial work, even if we are obliged to do it to live. Others, such as Mr. David Whidborne, 38, cousin of Lord Plunkett, and son of the late Captain Charles Whidborne, a wealthy land owner, have no such obligations. Mr. Whidborne recently announced he is giving up work, reports the *Daily Express*, February 23.

“I will devote my time to hunting, beagling and following show jumping” he said to the *Express*. “I’ve enjoyed my working life but I’ve had enough. I’m not too badly off and eventually I will inherit a sizeable legacy.” He is closing down his landscape gardening company.

We bear Mr. Whidborne no ill will in his early retirement but we trust that he will bear us none when eventually land values are taxed instead of the fruits of labour and industry.

Not So Fortunate

A SIXTY-FOUR-year-old Lancashire railwayman, Mr. Richard Mason, is without work and now on the dole. He was a land owner but received only £800 for his land when he sold it to the Government in

1946 under a compulsory purchase order. The land is now to be sold by the Government for £38,000. Mr. Mason has written a letter of protest to Mr. Richard Crossman, Minister of Housing and Local Government.

No Spur For The Land Owner

THE closure of a yeast factory at Dovercourt has resulted in a loss of rates of £3,954 a year to Essex County Council (*Harwich and Dovercourt Standard*). This will, of course, have to be made good by other rate-payers.

The rating of site values would not only avoid this loss but would provide an immediate incentive for the landlord to find a new tenant and to keep bringing his rent down until he did. It is anyone’s guess how long this property will remain unused and unrated.

Take Your Choice

ALTHOUGH not endorsing site-value rating (it would “create” major problems and “might not be an improvement on the present system”), Mr. David Gould, treasurer to Horsham Urban District Council in his first preface to the treasurer’s account published last month, estimates that if the money raised by the present rating system were transferred to na-