

Letters to the Editor

WHAT IS THE RENT OF LAND?

SIR, — Assuming only land and labour, the rent of a piece of land is equal to the excess of its produce over that yielded by the same application of labour to marginal land. Mr. J. Paluzie-Borrell rightly points out that the application appropriate for a given area of high-quality land will be appropriate for a much larger area of marginal land.

When we are considering also the third factor, capital, we are in deeper water. Both Henry George's Law of Rent and Mr. Paluzie-Borrell's expanded version are unsound for three factors of production. This is because it is in general no longer possible to take an area of marginal land for which the best application of labour and capital will be the same as the best application for the higher-quality land. Either the area of marginal land can be adjusted so that the application of labour is the same or the area can be such that the application of capital is the same. These areas would be equal only if it happened—and in general it would not happen—that the quantities of labour and capital required on the higher-

quality land would be in the same proportion as on marginal land.

Max Hirsch struggled to produce a definition of rent that would be valid for three factors and would retain the logical primacy of the margin of cultivation, but he failed in the second respect. At the margin of cultivation the net productivity is nil after deducting the "sum of the exertions" (wages and interest, presumably) which yield the most profitable result. Max Hirsch's following definition is therefore unchanged if the bracketed words are omitted: "The rent of any piece of land is determined by (the excess of) its productivity (over an equal area of the least productive land in use) after deducting the sum of exertions which (in both cases) yield the most profitable result."

Mr. Paluzie-Borrell attributes a wrong result, B, to Max Hirsch, but the calculation would have been the same as his own version, F, if he had realised that his productivity figures (which he states are *net*) will be zero for the best exploitation of marginal land; rent is equal to best net productivity.

May I offer a table?

Type of Land	Area (square yards)	Best Capital (£s)	Application Labour (Hours)	Gross Product (shillings)	Interest at 5% (shillings)	Wages at 4s. per hour (shillings)	Net Product (= Rent) (shillings)
P Marginal	1	4	4	20	4	16	0
Q Field	1	4	4	23	4	16	3
R Urban							
outskirts	1	20	20	112	20	80	12
S Marginal	5	20	20	100	20	80	0
T City	1	100	60	400	100	240	60
U Marginal	25	100	100	500	100	400	0
V Marginal	15	60	60	300	60	240	0

The last column gives the net product or rent in shillings in accord with the foregoing interpretation of Max Hirsch's definition. Q happens to require the same application of labour and capital as the same area of marginal land P, and therefore George's definition applies. R happens to require the same application of labour and capital as S, an area of marginal land five times as large; again George's definition will apply. T does not agree with George's definition: if we take fifteen times the area, V, the labour application is the same; and if we take twenty-five times the area, U, the capital appli-

cation is the same. But in neither U nor V are both labour and capital applications the same as T.

Yours faithfully,

A. N. BATTY

London, N.W.4.

RADIO LIBERALS

In the June issue of *LAND & LIBERTY* Peter Tracey wrongly charged Mr. MacCallum with wanting to ban pirate radio stations. Mr. MacCallum explained his position in our last issue and Mr. Tracey, in his apology which was printed after Mr.

MacCallum's letter, explained that he has been misled by the report in the *Liberal News*. In the letter we print below, the Editor of the *Liberal News* does not accept that his report was misleading. So that readers may judge this matter for themselves we also print (in full) the report that appeared in the *Liberal News*.

SIR, — Peter Tracey's apology to Mr. MacCallum in the last issue of *LAND & LIBERTY* makes extraordinary reading. He seeks to shuffle off the blame onto the *Liberal News*.

It is quite clear that Mr. Tracey at no time had contact with either Mr. MacCallum or Mr. Crawford. Before our article was printed we spoke to both Mr. MacCallum and Mr. Crawford.

That Mr. Tracey should allow himself to be "misled" by our article is a matter of simple journalistic inefficiency. That he should seek to transfer blame for his own ineptitude to the *Liberal News* is neither fair nor ethical.

Yours faithfully,

DAVID NORTH

Editor, *Liberal News*

London, S.W.1.

The *Liberal News*, July 9, 1964

LIB 'PIRATES' PROTEST WITH POP-SONG BROADCAST

John J. MacCallum, prospective parliamentary candidate, Bridlington, and John Knox Crawford, prospective parliamentary candidate, Howden, opened Yorkshire's first pirate radio station last weekend with a thirty-minute broadcast that included the Liberal Party's pop tune "The Liberal Song."

Organised as a "practical protest," Radio Free Yorkshire went out on 201 metres in the medium wave length, the frequency now used by the pirate station Radio Atlanta, to a range which included part of Bridlington and Howden divisions.

In a pre-broadcast speech at Witherness, Mr. MacCallum said: "Something has got to be done to demonstrate the dangers of pirate radio and to protest against the conditions which allow pirate stations to exist."

"They need to be controlled; yet the only attempt which has been made is by Liberal M.P. Jeremy Thorpe."

Radio Free Yorkshire (call sign: RFY) made its broadcast from a chartered boat anchored in interna-