Letters

Reading the excellent article "Progress and Poverty *Today*" by Howard Pflanzer (Nov.) I find one point which seemed to be underemphasized, and that is the land speculation which is concomitant with the natural increase of land values in a progressing or developing community.

Were it not for land speculation (speculation in the future possibilities of capitalized economic rent), Henry George might never have discovered that there is a land problem at the root of the world's troubles. Were it not for land speculation the increase of rent (which is natural and inevitable in a progressing community) would have redounded to as many people as were willing and able to make use of land to maximum advantage. Taxes would still have been a burden, being imposed on production, but the increase or rise of rent would not have burdened labor and capital (that which is natural and inevitable cannot be considered a burden) as of course it would not burden them if taken via the taxing process in lieu of present taxes, whose burden would then be eliminated.

In discussing land speculation I would emphasize its effect in causing land to be withheld from use. In nonprogressive or feudal societies land may be withheld from use for the barefaced purpose of keeping workers "in line." It may well be that the "welfare state" and "communism" are really a return to feudalism.

RICHARD T. HALL
Boston, Massachusetts

The essay by Howard Pflanzer was greatly reduced in length when it was printed in HGN. In his prize-winning paper the subject of land speculation was satisfactorily emphasized.

It does not necessarily follow, as stated in Howard Pflanzer's article, "Progress and Poverty *Today*" that if wages increase small businessmen will close shop to work for a wage. If he means wages in general increase, so will the small businessman's wages increase—his statement follows logically from the preceding sentences of the same paragraph. He says population rises increase demand for land causing margin of production to fall with consequent rise in rent adversely affecting labor and capital. Obviously wages are lowered, not increased.

Up to the point of the criticized statement he discusses economic rent, wages, interest, labor, land and capital, but then slips to institutional wages and interest, wages of employees and money or purchasing power interest. It is not the rise of wages, either economic or institutional, that will lower the return to capital but the rise of rent. Wages and interest rise and fall together as rent falls or rises.

VICTOR WASICKI
St. Louis, Missouri

What puzzles me is with the tax issue at a boil in Wisconsin, Minnesota, etc., almost everywhere there is nary a peep about the real heart of the public revenue issue—the natural income of the business of government. To be sure, something has been done in Pennsylvania—but who else anywhere knows about it?*

Should there not be, in every state, some agency that helps bring to the attention of the taxpayers and the legislators the essential facts about the natural, business-like revenue of the business of government?

THEODORE BUEHLER
Alma, Wisconsin

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*Readers of The Henry George News know. That's a good reason for recommending it to your friends.