

A COMPLETE ONE - PAGE COURSE IN ECONOMICS

In a healthy economy, sellers should compete with each other to attract and please buyers. The balance of competitive forces would act to keep a given market rewarding to all who deal in it, buyers and sellers alike.

Everyone could exchange the goods and services they produce, for the goods and services others produce, with everyone finding the production and exchange rewarding. The entire labor force would be occupied, and no area of consumer need would be neglected.

For example, there wouldn't be a housing shortage if it were rewarding for builders to produce the needed housing. They would do it eagerly. Today, it isn't rewarding enough to build housing, so, many builders stay idle.

The reason this happens in our economy was diagnosed 100 years ago by Henry George. It is the private ownership of land, giving land owners the right to charge exorbitant land rent for the occupancy of the earth.

Over the years, the more wealth labor and capital produce, the greater the share of it demanded by land owners. This diminishes the rightful returns of labor and capital, making it so expensive for them to remain in business, that only the few hardest establishments survive.

Excessive land rent makes it hard to remain in business, and forbiddingly expensive to go into business. When new ventures cannot start because it is too expensive, then willing labor goes unemployed, and welcome and needed goods do not get produced and exchanged.

This explains the housing shortage. Land owners would demand such a huge share of what needs to be built, that it is too expensive to attempt building it, and the housing remains unbuilt.

The solution is to stop penalizing labor and capital with land rent, and with taxes on top of that. No one should be allowed to charge rent for the use of the earth. Instead, land value, which is a publicly created fund, could yield all the tax revenue a government would ever need.

Labor and capital would then reap their full, just rewards, and find it rewarding to remain occupied. No useless land owner could milk them. It would pay a worthwhile return for them to produce all the housing people needed.

The answer is not subsidies, unemployment insurance, welfare, rent control and the like. These paper shuffling activities will never set right what is wrong. Stop land owners from penalizing labor and capital, and all forms of poverty will vanish from the American economy.

Once labor and capital can freely earn their just rewards, they will remain eagerly and usefully occupied.

Therefore, support land value taxation, LVT, by petitioning your State Assemblyman and State Senator for it, and spreading the word. This is all anyone really needs to know about economics.

William O'Connor  
210 East 25th Street  
New York, N.Y. 10010