

## RE-SOLVING THE ECONOMIC PUZZLE

In a news release Shephard Walwyn (books@shephard-walwyn.co.uk) announced a new book by a long-time Georgist that calls the land issue a key element in treating the most pressing economic issues of our times.

*Re-solving the Economic Puzzle* by Walter Rybeck points to land speculation as a prime cause of booms that inevitably lead to collapse. He writes that shifting taxes off production onto socially-created land values can take the profit out of speculation. This in turn will engender other beneficial results -- abundant job opportunity, affordable housing, healthier and more compact cities, environmental protection through reduction of sprawl, and a more robust market system.

In the richest nation on earth, people are mired in poverty. Food is produced on a vast scale, yet families go hungry. Homeless men and women huddle in doorways of boarded-up housing. A deep-rooted cause of this inequality, the author reveals, lies in an injustice that permeates the economic system of America and the world, an injustice that is as unquestioned today as slavery once was.

In this non-technical work, Rybeck takes readers on the intellectual journey that led to his focus on land issues. In Appalachia and as a Latin American correspondent, he saw grinding poverty amidst rich resources. As a reporter in Columbus, Ohio, he encountered a Henry George class. Good fortune again came his way in Dayton, Ohio, where his editor, Walter Locke, said, "Nobody should be allowed to write about city problems until they've digested Progress and Poverty."

As Washington Bureau Chief for Cox Newspapers, Rybeck observed Congress coming to grips with a major justice issue, the denial of black Americans' civil rights. When, he wondered, would the denial of land rights of the mass of Americans be recognized and dealt with?

Senator Paul H. Douglas of Illinois (known as "a winner of lost causes") was named chair of a National Commission on Urban Problems and chose Rybeck as his assistant director. Within a few weeks on the job, Rybeck learned that Douglas -- a former professor and former president of the American Economics Association -- was a devotee of Henry George.

Themes familiar to followers of Henry George, but all too unfamiliar to many mainstream economists, political leaders and the general public, are developed in the book. Among them:

- \* Jobs would be a leading indicator, not a lagging indicator, under an equitable tax system.
- \* The so-called housing bubble was not a housing bubble but a land price bubble.
- \* Infrastructure could be self-financing by recapturing the higher land values it creates.
- \* Cities and states, while crying poverty, are sitting on a treasure that is literally under their feet.
- \* Critics of the property tax are half right, but also half wrong, woefully so.

The author paints the dangers to society of continuing on its present path of increased monopolies and policies that kill jobs and productive enterprises, but he optimistically looks to a brighter future. His success stories -- descriptions of places in the United States and elsewhere that have adopted a degree of land value taxation -- lend credence to the reform program he sets out in the conclusion of the book.

Rybeck shares with the reader his discovery that how property taxes are levied is crucial to this issue. Contrary to a common belief that all taxes are necessary evils, the author distinguishes taxes that suppress the economy from those that spur well-being for individuals, business, and society at large. He presents a strategy for gradually increasing beneficial taxes and reducing harmful ones.

His prescriptions are based both on economic theory and on examination of success stories from the United States and elsewhere where these prescriptions have been adopted. Reaching back into history, the author finds that easy access to land and natural resources played a major role in fostering America's early dynamic economy. He urges wider use of land value taxation to reverse land monopoly and sky-high land prices and restore a vigorous and competitive enterprise system with opportunity for all. Though America is the case study, the remedy is applicable worldwide.

The author illustrates concepts, issues, and policies through episodes from his rich life experiences in journalism and public service, giving new insights and slants on the work ethic, land speculation, the housing bubble, property rights, and legally accepted injustices.

*Resolving the Economic Puzzle* by Walter Rybeck is published by Shephard-Walwyn, London. ISBN: 978 0 85683 281 9 256 pp. To view contents click on link [http://www.shephard-walwyn.co.uk/book\\_details.asp?Bookid=248](http://www.shephard-walwyn.co.uk/book_details.asp?Bookid=248).

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