

BOOK REVIEW

Resolving the Economic Puzzle: Two Reviews by Stephan Barton and Fred Foldvary

Re-solving the Economic Puzzle by Walter Rybeck

London: Shephard-Walwyn, 2011, pp.xv, 238, \$29.95.

ISBN 978-0-856-32819

ABSTRACT. Walter Rybeck makes the case for land value taxation, explains how he came to understand its importance, and describes his involvement in the Henry George movement in the United States over the last 50 years. While the book demonstrates the virtues of land value taxation, it also illustrates some of the limitations of contemporary Georgism.

Review by STEPHAN E. BARTON

For all 50 years Walter Rybeck has been a leading exponent of economic reform through land value taxation in the tradition of Henry George. Here he gives us a multifaceted and enlightening book combining public policy analysis and autobiography, the latest in the publishers' ethical economics series. He provides autobiographical material on the experiences that led him to the Georgist tradition, gives a lucid explanation of the rationale for and benefits of land value taxation, briefly reviews of some of the evidence supporting such reforms, and describes his participation in several important efforts to expand the use of land value taxation in American public policy. In so doing, he provides us with an important part of the history of Georgism over the past half-century and illustrates both its strengths and its weaknesses.

He begins this book with a brief review of basic concepts, explaining that land value is not created by the owner of the land but rather by a combination of nature, people, and government. Nature provides climate, soil fertility, water, minerals, and so on. People provide both population density and their myriad activities. Government provides services and infrastructure necessary for enjoyment of urban life. He distinguishes land value from the values people create through improvements, and explains how shifting from taxes on all real property to taxes on land value encourages physical improvements, discourages speculation, and creates more efficient urban development. Rybeck is probably best known for developing the concept that land value taxation is actually a “super user charge” (1983). First, it constitutes payment for the “license” to exclusive use of a particular site and, second, it overcomes the difficulty of setting individual user charges for each public service because location values provide an excellent means of judging the value of the totality of public facilities and services available to users of any particular site.

Rybeck grew up in West Virginia, served in World War II, and then attended Antioch College, where he was influenced by its ideals of public service. After graduation Rybeck had a successful career in journalism, including a year of reporting from Columbia and Ecuador where he was exposed to third-world extremes of wealth and poverty and saw the role of absentee landlords in preventing progress and maintaining poverty. He did local reporting in Columbus and Dayton, where he developed an intimate familiarity with urban problems and came in contact with people working in the Henry George tradition, then became Washington Bureau Chief for Cox Newspapers during the 1960s, having by this time developed a strong belief in land value taxation as the key to solving many of the nation’s problems.

In 1967 Senator Paul H. Douglas asked him to help staff the National Commission on Urban Problems and he began a second career in public policy, in which he engaged in many efforts to bring about greater awareness of the importance of land value taxation and to encourage its implementation. The Commission’s final report included strong recommendations that land value taxation be used to recapture the value created through public investments. Several years later Congress extended partial home rule to the city of Washington, DC

and Rybeck saw a golden opportunity to create a showcase for land value taxation. He and his allies gained substantial political support, only to see their proposals watered down to insignificance as the newly elected Mayor and City Council bent to the wishes of the real estate and parking lot owners' lobbies. Rybeck subsequently worked on the staff of Congressman Henry Reuss doing research demonstrating that the Washington, DC Metro rail system could have been entirely paid for through the increase in land values resulting from its construction.

Potentially even more important were Reuss's and Rybeck's efforts during the Carter administration to establish a Land Price Index, similar to the Consumer Price Index. This proposal gained substantial support within a number of federal agencies and the Bureau of Labor Statistics actually began preliminary work on it before the effort was shut down by the newly elected Reagan administration. Such an index would have been of immense value and might have provided early warnings of the housing bubble. Economists with the Federal Reserve have documented the extraordinary increases in land values from 1984 to 2004 (Davis and Palumbo 2006). Might it all have been taken more seriously if regularly tracked by a federal indicator? Creation of economic and social indicators plays a major role in shaping ongoing debates over public policy (Innes 1990). Surely the existence of such an indicator would make it easier to get across the basic idea that land value is different from and should be considered separately from other types of economic value.

Rybeck went on to work for Congressman William J. Coyne, previously a member of the Pittsburgh, Pennsylvania City Council, who had worked to strengthen that city's two-rate property tax system, with land taxes set at a higher rate than taxes on improvements. Rybeck then founded the Center for Public Dialogue to promote understanding on land policy.

After recounting his personal history Rybeck steps back and provides a brief overview of the importance of land in U.S. history and economic theory and provides examples of the application of land value taxation both at home and abroad. He reminds us that Adam Smith, generally considered the founder of free-market economics, strongly endorsed land value taxation in *The Wealth of Nations* in his chapter "Taxes upon

the rent of houses.” The most sustained application of land value taxation in a major U.S. city is Pittsburgh, which used a two-tiered tax with varying degrees of higher taxes on land values from 1913 up until 2000, when the city went back to a conventional property tax. This system has been adopted by 16 other Pennsylvania cities and school districts since 1975. His description of Alaska, where oil severance taxes are used for public benefit and to provide an annual payment to most residents, provides a powerful contrast to his descriptions of his home state of West Virginia, where the coal companies evade most taxation and often dominate state politics.

Rybeck argues that land value taxation is essential in order to create well-being for all Americans, strengthen the cities in which most Americans live, and at the same time support free enterprise and allow for the removal of harmful taxes, distorting subsidies, and unnecessary regulations. Its major benefits would include abundant jobs at living wages, affordable housing for all, self-financing infrastructure, an end to sprawl and urban decay, and a rational tax system, to give only the first five of his list of 10. He concludes that land value taxation should appeal to reasonable people on both the left and the right, providing greater social justice while remaining within the framework of a free-market system.

The moral and economic case for land value taxation is extremely strong. So why then is Rybeck’s story, and that of Georgism more generally, largely a story of opportunities unrealized? Why did the citizens of Pittsburgh so easily abandon a system that had served them well? Why does the Georgist analysis have so little influence when it can claim to be compatible with the ideas of the left and the right, to serve the public interest, and to harm only a small number of land speculators?

Here is where the defects of the book are as illuminating as its virtues. First, it oversells the potential benefits of land value taxation, ignoring the fact that there are other fundamental problems in our society and economy besides land speculation and an inefficient tax system. Second, it lacks a viable strategy for social change, offering appeals to reason and the public interest but failing to update Henry George’s appeal to what were then deeply held cultural beliefs regarding the land. Finally, in focusing entirely on land Rybeck

remains close to the 19th-century program of Henry George himself, but downplays George's most important and radical insight, which is that the community creates value and is entitled to use that value in accordance with its choices made through the democratic system of government.

The overselling begins with certain rhetorical motifs. Rybeck, like many other Georgists, quotes the joke often attributed to Will Rogers (or alternatively to Mark Twain), "Buy land. They ain't making any more of it" (p. 153). True, but the world has a great deal of land that has little economic value. In an urbanized society land value is largely locational value, created when people concentrate in limited areas because there are extraordinary benefits to dense patterns of human interaction, even though there are also significant costs. Claude Fischer (1975) has shown that density facilitates the development of subcultures that facilitate creative innovations in the economy, in culture, in lifestyles, and also in crime.

Humanity is engaged in a continual process of creating new locations of dense interaction. These locations can have great staying power—some cities have remained in place for thousands of years—but they also change and sometimes vanish while new ones arise. Even the wealth provided by nature changes as technology changes, witness John Stuart Mill's comment that "There is land, such as the deserts of Arabia, which will yield nothing to any amount of labour" (1848: 505). The development of urban transportation systems is, in effect, the creation of new urban locations as mass transit systems and freeways bring wider areas into rapid communication with each other. New towns can be created in areas with low land values, reducing the pressure of population growth in older cities. So if "the supply of land is fixed" (Mill 1848: 19), the supply of locations certainly is not. Rybeck discussed creation of new towns and transportation systems in his article on land value taxation as a super-user charge, so it is disappointing to see him falling into this kind of exaggeration here.

Overselling is even clearer in his discussion of housing issues, where he argues that "America has no housing problem" but rather a problem of "runaway land prices." There is no question that America and much of the developed world has had major problems with runaway land prices. And it is certainly fair to argue, as Rybeck does,

that land value taxation would help persuade owners of underutilized land to stop holding it for speculative gains and make it available for development, thus increasing the supply of housing and helping hold down the cost to buy or rent. But there are major issues that are not amenable to solution through land value taxation. A great many people, especially among the elderly and disabled, have incomes so low that they could not afford to pay the amount necessary to rent or buy a decent home even if the monthly costs were at the minimum necessary to operate, maintain, and periodically renovate the building. In addition, while taxing away land rent would reduce the land cost to near zero for buyers, the residents would still have to pay the land tax. In high land rent areas such as the cities of coastal California or parts of the Boston-New York-Washington, DC megalopolis, this would simply shift the source of economic hardship for lower-income people from the landlord to the government unless accompanied by some system of tax exemptions or rent subsidies.

Despite their many problems, modern industrial societies are immensely wealthy by historical standards, with a standard of living that Henry George could only dream of. With a combination of economic growth and social insurance programs some countries, most notably those of Scandinavia, have largely eliminated poverty, while in many others, including the United States, the extent of poverty has been drastically reduced from what it was a century ago. In light of that history, it is hardly surprising that little attention is paid to claims by proponents of land value taxation that their idea is the key to solving virtually all economic problems.

But even though land value taxation is not necessary in order to create a high standard of living for the vast majority of people living in a modern society, its many virtues are clear and, as Rybeck points out, they have been accepted by leading intellectuals of both the right and the left. Why then is there so little to point to outside of a few cities in Pennsylvania and some special districts? Rybeck, like George himself, argues that what is needed is simply for the public to consider the matter rationally. Rybeck argues that in terms of “salesmanship,” “Marxism had a clear advantage because it gave exploited and angry people a villain—the capitalists—to blame for all their problems.” George’s views do not lend themselves to such “demagoguery.”

Actually, the historical record clearly shows that a major part of Henry George's appeal was his denunciation of "land speculation" and "monopolies," carried out by land speculators and monopolists, surely two of the most unpopular groups in the late 19th century. Another part of his popular appeal was his argument that the land had been provided to humanity by God and must inherently be sufficient to meet the needs of his people. Speaking to a very religious people at a time when America was in transition from a predominantly rural agricultural economy to a predominantly urban manufacturing economy, George could tap into a deep cultural attachment to the land and to the ideal of the independent yeoman farmer and into a corresponding feeling of dispossession on the part of landless urban workers who almost all rented their homes. Henry George was a great salesman, who used the language, the popular culture, and the villains of his time to win far more support for his ideas than Marx ever gained in his lifetime.

The problem for contemporary Georgists is that this language is largely obsolete and American cultural mythology has moved on. The Jeffersonian ideal of the yeoman farmer has been transposed into the "American Dream" of homeownership (deNeufville and Barton 1987). Few will claim to approve of "land speculation," but few today feel deeply moved by the idea that it represents a transgression against our most important cultural ideals.

Rybeck's focus on land, while typical for those working in the Georgist tradition, draws attention away from what I consider Henry George's most important and most radical insight—that rent represents private appropriation of value created by "the whole community." In his time, land value was far and away the most important form of community-created value, so the two could easily be considered different sides of the same coin. Today a focus on land only serves to keep the idea that the public or the community creates value inside a box, easily set apart from the main issues of modern corporate capitalism. This is perhaps inevitable when proponents of land value taxation wish to draw support from both right and left, since it can draw support from intellectuals and academics on the right only if it is considered a limited and technical correction to the free-market system.

If, on the other hand, we recognize that the community and the public create a great deal of the economic value of modern society, and agree with Henry George that those who create value are entitled to its fruits, then we need to examine all of the ways that this value is manifested and how the public can best take ownership and make use of the value the public creates. For example, the public can create value in locations that are not in any physical place. A web site gains value through the density of participation by the public even though it involves no land. Similarly, in a recent article in this journal Neil B. Niman (2011) examined the “open source” software movement and found that a software development platform can bring together a community of people who together create more value than any could create individually.

The value created by communities of interaction also extends far beyond land values. For example, a university is a community in which myriad overlapping communities interact, some members on site and others from a distance. It would be hard to argue that a university’s value to society is entirely captured by the land values associated with it, although a tax on the land value it helps create would certainly have merit. The shared governance structure of the university, weak though it usually is, further recognizes that these communities have a legitimate role in governance of the institution they are part of.

Updating the implications of community-created value requires those who wish to build on George’s legacy to come to terms with the modern corporation as a system of power. In George’s lifetime they were just beginning to emerge as centers of power with the growth of the railroads, but today it is not sufficient to simply mention, as Rybeck does, the corporate domination of natural resources and urban development (p.152). The modern business corporation is also a type of community, in which stockholders, managers, employees, customers, and neighbors interact but where control is held by a coalition of strategic investors and top management who appropriate economic rents and externalize costs and risks on to the other members of the community and the public. John R. Commons, the greatest economist of the generation after Henry George, combined strong support for land value taxation with careful analysis of the firm as a structure of private power (1922, 1924). He analyzed corporate private property

as a bundle of rights that can and should be subject to revision and argued that the workers should be considered to have certain property rights in the firm. The German co-determination system demonstrates that more democratic structures can be quite compatible with a successful modern mixed economy.

Much more recently, Gar Alperovitz and Lew Daly (2008) argue that in the modern “knowledge economy” George’s insights on private appropriation of land value generated by the community should be broadened to take into account the private appropriation of the value resulting from knowledge that is socially created and transmitted. This wealth too is properly the common heritage of humanity.

A broader application of Henry George’s insight into the role of the community in creating value has the potential to make the Georgist tradition central to contemporary debates over how to turn the United States away from its increasing trend towards plutocracy and develop an ethical economy that is compatible with democracy.

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Review by FRED FOLDVARY

Re-Solving the Economic Puzzle could just as well be called “solving” the puzzle because today’s economic problems are not being resolved. What is called the “fiscal cliff,” the huge budget cuts and tax increases to deal with the U.S. budget deficit, threatens to plunge the economy into recession again, and does not provide a lasting solution. The deficits of Europe too are being treated rather than cured—continuing deficits generate risk premiums that inflict an unbearable debt service. Tax increases hurt employment and enterprise, while budget cuts hurt the lower-income folks who depend on government pensions, education, and medical care.

While the media, politicians, and even economists claim that we must choose among these painful trade-off alternatives, Walter Rybeck shows that there is indeed a way to solve the puzzle. The solution is a tax shift that replace taxes that hamper the economy with public revenues that do not hurt and may even benefit the economy. The tax we need is a levy on land values.

Walter Rybeck’s book is not a dry economics tome, but a personal story, an autobiography of the author’s life and his discovery of the optimal economic solution. Rybeck relates his involvement with organizations and policymakers in seeking to implement land value taxation and other reforms. It is a rare book that integrates a life story with economic theory, history, and policy applications. The book is divided into topical sections of short chapters, like a satisfying multi-course meal.

Re-Solving is a book for all categories of readers. Those who know no economics (or “know” concepts that are mistaken) will get a good introduction, while economic savants will benefit from a perspective that they usually would not learn in graduate school. I cannot imagine that any reader would be disappointed. This book is truly one of the best introductions to real-world economics that I have come across.

The three outcomes people want from the economy are efficiency, equity, and sustainability. Rybeck confronts all three. Taxes that generate the waste that economists call the “deadweight loss” also create instability and social injustice. Rybeck emphasizes that it is unjust for the law to let some people obtain values created by others.

His book is an ethical as well as economic inquiry. Rybeck provides an analogy with slavery: the main argument against slavery was moral, beyond any economic analysis. For land issues, the Georgist message is one of harmony, as the policy that provides the greatest justice is also the policy that promotes maximum prosperity.

Usually, people think of redistribution as transferring wealth from the rich to the poor, but Rybeck shows that the tax system also, and more so, operates in the opposite way, transferring wealth from the poor to the rich. That is because the landowners tend to be the rich, and government's public goods get capitalized into greater rent and higher land value, kept by the rich, because the taxes are mostly on labor.

Rybeck recognizes that this "legalized theft" also generates the boom and bust cycles, including the Great Recession of 2008. The distress following the recession shows the need for economic reforms, but the leaders of both establishment political parties have either drawn the wrong lessons or else continue to cater to the special interests that finance their campaigns. Rybeck mentions the boom-bust cycle in several places; it would have made the book better if he had a chapter that explains the cycle, with both the real estate and the financial aspects.

Land is central to the economy and to history, yet modern economists ignore it. While growing inequality is much discussed, there is little mention of the concentration of land ownership. As noted by Rybeck, 3 percent of Americans own 95 percent of the privately held territory. The concentration of land value in a few hands is a global phenomenon. This inequality is unjust by Rybeck's land ethic as derived from the American economist and social reformer, Henry George. That ethic prescribes that land values "belong to the community as a whole" (p. 5).

Rybeck then explains the "Remedy that Works." Rybeck is familiar with the actual applications of tax reforms, including the two-rate property taxes in Pennsylvania, where cities may choose to raise their property tax on land value and lower it on building value. This policy has had beneficial results.

Rybeck, however, may not be quite clear on the meaning of a "free market." He criticizes the anti-tax advocates who think that "the free market will make everything turn out fine," claiming that the "almost

totally unregulated economy of the 1800s” did not prevent bank panics and depressions (p. 11). But a pure free market is not only free of imposed tax costs but also of subsidies. A government subsidy is just as much an intervention as an imposed tax cost. There were in the 1800s massive subsidies to land value in grants such as to the railroads, and also in selling land at low prices. The biggest subsidy to land value is public works paid for by taxing wages and goods. Aside from the subsidy to land value, the federal government supported slavery and the forcible expulsion and killing of the native Indians; there was no freedom for those victims.

Rybeck also blames the “pro-business administrations of the 1920s” and the “deregulation” of the latter decades of the 20th century for the cyclical instabilities that followed, again not accounting for the subsidies of those eras. However, Rybeck also recognizes that “America’s market system has never been fully free” (p. 11). Rybeck also cites anti-tax guru Milton Friedman as stating that “the least bad tax” is “the property tax on the unimproved value of land” (p. 11), just as prescribed by Henry George. But most anti-tax as well as pro-tax advocates ignored the tax shift that would serve their goals.

“Land” means everything provided by nature. Rybeck states that because nobody produced the land, it should be common property. It would be helpful if Rybeck went more deeply into the social ethics of land, the foundation being the moral equality of all human beings. Also, for Georgism, what is properly common is not land as such, but only the rent of land. As recognized by Rybeck, Georgist policy would leave the possession of land and titles empowering control with individuals. Rybeck discusses land values as derived from location, the present-day usefulness of a site, and also from speculation about future rents, speculation that can carry the price of land beyond that warranted for present-day use.

The autobiographical aspects make the book interesting as history told in the first person. Rybeck relates his introduction to the economics of Henry George in his early career as a journalist. Religious teaching had helped to imbue Rybeck with a sense of social justice. A request came to him in 1951 for an announcement of an economics class sponsored by the Henry George School. He decided to attend the class, and then continued studying Georgist economics in contact

with several Georgist activists and teachers. Rybeck became convinced that the Georgist remedy would “resolve problems that otherwise seemed insoluble” (p. 30).

Rybeck’s life became a “journey of economic discovery” (p. 31). As Rybeck learns more about the issues of land and taxation, the reader too learns alongside of him. His home town is Wheeling, West Virginia, where he became interested in conservation and wildlife, especially birds. His grandfather, Raymond Rybeck, had emigrated from the pogrom-ridden Polish-Russian border region. In those days, what enabled immigrants to succeed was not just hard work but also affordable land.

“War or Peace?” asks Rybeck in Chapter 9. He believes that the drive for survival can prevail over the predilection for conflict. Having served in the army during World War II, Rybeck notes Germany’s transition to a peaceful member of the European community, and finds the struggle for natural resources as a source of conflict that could be resolved by greater equity in the ownership of land.

That thought segues to Chapter 10, “A Glimpse of Utopia.” This glimpse was Antioch College in Yellow Springs, Ohio. The engineer-educator Arthur Morgan designed a series of dams in the area, financed by a land value tax, which protected the region from floods. One of the professors there was George Geiger, author of *The Philosophy of Henry George*.

In Chapter 11, “Dreams of a Castle,” Rybeck describes his first newspaper job and a castle built by a coal baron. Chapter 12, “A Far Cry from Home,” relates his year as a foreign correspondent in Latin America, where land issues are more explicit. The chapter title was also that of his columns. Reflecting on his trip to the Galapagos Islands, Rybeck decries Social Darwinism, the survival of the fittest, mis-applied to human beings, a distortion of Darwin’s theory, since Darwin’s explanations also encompassed cooperation and symbiotic relationships.

These experiences helped Walter Rybeck to better comprehend land tenure and taxation. As he says, once one understands land issues, one is able to grasp the cause of many of the economic woes suffered world-wide. Rybeck invokes the Georgist saying, “seeing the cat,” from a drawing that has a jumble of lines within which there is a cat, but once it is seen, it is impossible to not see it.

Rybeck then tells us how he got a job at the *Columbus Citizen* newspaper. Seeing the cat, Rybeck keenly observed the real estate situation in Columbia, Ohio, with its slums, landlords, and speculators. Rybeck then went to work as an editorial writer at the *Dayton Daily News*. In Dayton, Rybeck learned more about real-world real estate economics and politics.

Rybeck then became the Washington Bureau Chief for Cox Newspapers. He observed debates in Congress, spoke with White House staff, and participated in presidential press conferences. He learned that land issues were “not even on the back burner” (p. 86). He noted that President Ronald Reagan, allegedly a foe of federal power, abolished the Advisory Commission on Intergovernmental Relations, which had been a source of information on local governance, including private communities. Rybeck relates how Martin Luther King, Jr., had cited Henry George’s main work *Progress and Poverty* on the immorality of poverty amidst great wealth. Rybeck calls policies that only treat the symptoms and effects of poverty “the treadmill effect.”

Chapter 17 is on “The Douglass Commission.” Rybeck became the assistant to Senator and economist Paul Douglas after President Johnson appointed him to head the National Commission on Urban Problems. Rybeck learned about the “land banking” that developers profit from. He writes of the failures of urban renewal. The Commission studied the escalation of land values after World War II, while city officials were complaining of declining tax bases. Property taxes were too high on buildings but low on land value. The final Commission report, *Building the American City*, included a section by Douglas on taxing land.

In Chapter 18, “A Capital Idea,” Rybeck tells how he testified on property taxes at hearings on Washington, DC’s tax system on achieving home rule. Opposition from parking lot owners and other real estate interests blocked the adoption of LVT there.

Chapter 19 tells how Rybeck became employed at the Urban Institute. Since the benefits of civic improvements raise land rent and land value, higher property values are a good proxy for such benefits, and a tax on land value is thus what Rybeck calls a “super-user charge.” Rybeck later became an assistant on urban issues for Representative Henry Reuss, who sought information on urban sprawl. His

staffers conducted research showing that the Washington, DC metro system had increased land values in the area by at least as much as the cost of the Metro. Rybeck led a team to create a national Land Price Index, LPI. The Census of Governments had already provided data on real estate assessment to sales price ratios.

When President Reagan took office, his administration shut down the work on the LPI being done by the Bureau of Labor Statistics, ended the Census of Governments housing reports, and closed the Advisory Commission on Intergovernmental Relations, despite the declarations of conservatives that they sought to shift power from the federal to state and local governments.

Walter Rybeck founded the Center for Public Dialogue to help state and local governments in their fiscal policies. The Center focused on land policies due to a lack of such focus by others. It produced the documentary, *A Tale of Five Cities: Tax Revolt Pennsylvania*, on how five and then later over a dozen cities in that state enacted two-rate property taxes, higher taxes on land, lower taxes on buildings, with beneficial effects.

The book then turns to America's economic history. In Rybeck's view, the big attraction of the United States for immigrants was good but cheap land. America's work ethic developed from the relative high wages of American labor. The ability to prosper from one's own efforts generated the optimistic and confident American individualist character. It also fostered liberty, not just the freedom to engage in enterprise, but freedom from excessive debt, and a share of the natural resources. But with the land tenure system based on legal rights from purchase, the benefits of America's land became increasingly concentrated, and with American labor now highly taxed and households in deep debt, that American spirit has eroded.

Chapter 24 is on land grabbing and land abuse, whereby much of U.S. land was given to speculators and interests such as the railroads. In the 1800s much of public revenue was from real estate, especially land value, whereas in Latin America, large estates went untaxed. U.S. democracy thrived on land taxes, an open frontier, and relatively free markets—elements now greatly diminished.

In his discussion of Henry George, Rybeck explains how the landed interests fought back when followers of George were promoting a

land value tax. As Mason Gaffney has written, the opponents of Georgism changed economic theory to take land out. Two-factor neoclassical theory replaced the three-factor classical theory. Rybeck shows places in the United States that obtained public revenue from land rent, including among others the Central Valley in California under the Wright Act of 1887, the communities of Fairhope and Arden, and the two-rate cities of Pennsylvania. Rybeck also explains the success of public revenue from rent around the world, including Hong Kong, New Zealand, Denmark, South Africa, and Taiwan. It would have been good to mention the thousands of condominiums and homeowners' associations that in effect collect the rent generated by their services to pay the cost.

Rybeck also contrasts the treatment of material resources in Alaska versus Appalachia. Alaska taps revenue from its oil production, providing a dividend to the residents, while in Appalachia, little of the natural resource value is taxed.

Closing out the book, Rybeck lists 10 ways to implement land value taxation as "vital paths" to prosperity. These are various ways to shift taxation to land value, and an explanation of the social problems that would be diminished. The last chapter is on "Recover, Jobs, and Social Harmony." Land value taxation can bridge over our political differences, strengthening the market economy while providing greater equity and both economic and environmental sustainability.

The appendixes include the Douglas Commission testimony, a sermon by Viggo Starcke, leader of Denmark's Justice Party, and a property tax primer.

Now when someone asks me for a good introductory book on economics, I will be sure to suggest *Re-Solving the Economic Puzzle* by Walter Rybeck. He does not merely tell us about the economic history of land issues, he lived in this history and helped shape it. He knew the players, and their successes and setbacks. This is indeed a book that should be read by every economist, every student, and every person who has been puzzled and troubled by our economic woes. It would be wonderful if a policymaker happens to read this book and actually implements its solution, but otherwise, the people should know that there are economic solutions, and that it is politics, not economics, that blocks universal prosperity.