

The American Dilemma

By Mike Curtis / 20 January, 2021

President Trump was a demagogue, for sure. He could be treated as a felon and disqualified from running in 2024. But the contempt and machinations of his tens of millions of followers and the motley mob that ransacked the U.S. Capital, are rooted in the intractable problems of unemployment, stagnant wages, and the exorbitant cost of housing. By exploring the cause and working for a solution, President Biden and the new Congress could eliminate the threat of another demagogue as they build toward a just and prosperous nation.

Many Americans now suffer from the deprivation and the humiliation of poverty, and many more find no path beyond the stifled life led by their parents. It is out of an instinctive impulse for self-preservation that workers gravitate to groups that seek the exclusion and oppression of others. They are mesmerized and follow a demagogue who empowers them with a sense that they can become a part of something more powerful than themselves. It is in reaction to the fear of losing what status and wealth they have that they adopt the psychology of hate and “Us versus Them”.

To replace hate and discrimination with the inclusion of all as a national family—where all are valued for their productive potential and the contributions they make, the reality must provide all with an opportunity to work. They must be able to exert their mental and physical energy and be able to consume the full results that those exertions have added to the national wealth. With an abundance of opportunity, we are limited only by nature and human ingenuity. With a shortage of opportunity, all workers have a vested interest in the exclusion of others.

Certainly, not all politicians are corrupt in the usual sense, but any system that condemns the majority to work long hours day after day for food, clothing, shelter, basic healthcare, a used car, and a smart phone, while others accumulate assets worth hundreds of millions and even billions of dollars that represent what other people produced, is fundamentally corrupt. And those who work to preserve that system, are aiding and abetting a moral crime.

It is human nature that everyone feels they have a right to exist, Governments honor that right in their constitutions. And, in order to live, people must have access to the bounty of nature. It is on the land that we stand, and from it we produce our food, clothing, and shelter. All the materials and forces essential to human survival and satisfaction are the free and spontaneous gifts of nature. To assert that some people have a greater right to the habitable, usable, parts of this Earth is clearly to say: Some people have a greater right to exist—to life itself.

And still, even if all people do have equal access to the land (the resources of nature), if people cannot keep and consume what they have produced, they will die—their right to life is denied. To whatever degree the fruit of people's labor is taken from them, to an equal degree is their right to life diminished—be it a thief, an employer or a tax. All people must have equal rights to the bounty of nature, and an exclusive right to the fruits of their labor. This is fundamental to justice and prosperity.

Just as all people have individual rights, so too, they have a common right. As members of the community and society, all people are entitled to share the socially created wealth that results from the conscious and sub-conscious cooperation of the community as a whole. As people come together in communities, far more is produced than the sum total of what each individual could produce alone. Some people grow food, others build houses, and some make clothes. By the specialization of labor and the transactions of trade far more is produced than would result if each family produced their own independent living. With every increase in population, the result of everyone's labor increases, and the greater results are taken by the owners of land. With every addition to the infrastructure and public service, more people can live and cooperate with greater efficiency in a given area. And the increase in productivity adds to the income from land

The value of land begins with superior fertility, minerals, or safe harbor, but of far more importance is the presence of people drawn to them—the community. The value of land is simply an accounting of the greater productivity of any particular land over that of the sparsely populated regions where land is still freely accessible.

As populations increase, and new technologies increase productivity more where population is dense, the rental and the selling value of particular lands (urban & suburban) increase. In anticipation, some land is held for "speculation", held, un-used or under-used, as an appreciating asset. Whether it is vacant lots, empty buildings, and surface-parking, or low-rise buildings where the infrastructure and the market make High-rise more profitable, land speculation is at the root of the problem. Non-use and under-use of land creates an artificial shortage. It causes unemployment and a shortage of housing; it drives wages to a level below which productivity would fall, and it lowers the return to buildings, machines, and inventories to minimum as well.

Raising the Minimum Wage (beneficial as it would be for all workers employed) does not make land available, so it cannot create the needed jobs and affordable housing. Raising taxes on the incomes of the rich (fair in many cases), does not create jobs or housing.

However, shifting all taxes to the rental value of land will create jobs and housing on the valuable, but presently un-used and under-used land. As the competition shifts from workers competing for jobs to employers

competing for workers, the general level of wages will rise. Collecting the rental value of land for public purpose makes land a common asset—while allowing for its exclusive possession and the right to keep what is produced upon it. With an abundance of opportunities, the more people produce for themselves, the more they contribute to the synergistic productions of the community and the value of land with which all have a share.

The rent of land is a socially created fund out of which we may provide for the national defense, Universal healthcare and Social Security. It is neither a confiscation of property or an appeal to charity. It is a common fund that grows with and provides for the increasing needs of community. It is the natural resource with which to fund the development of vaccines, medical treatments, and methods to harness safe and inexhaustible sources of energy.

To summarize, it is the association of people that enables trade, the division of labor, and the aggregations of knowledge that multiply the results of individual endeavor. Equality prevents those gains from being lost in conflicts over land, and some people living from the labor of others. Shifting taxes to the value of land, a benefit received, would create jobs, raise wages, provide ample and affordable housing, and prevent Donald Trump and every other would be demagogue from occupying the White House in the future and looting the country. []