

The Top Ten Solutions to Unemployment

By Gavin Putland

PROBLEM: Because of taxes on working and hiring, it costs employers \$9 to pay workers \$8, of which the workers keep \$7 to spend on employers' products now or later. So how can employers afford to hire more workers?

CONSERVATIVE SOLUTION: Make workers work for less, so it costs employers \$8 to pay workers \$7, of which the workers can spend \$6 on employers' products. And don't mention land values.

PROGRESSIVE SOLUTION: Make employers pay more, so it costs them \$10 to pay workers \$9, of which the workers can spend \$8 if they can still get jobs. And don't mention land values.

SOCIALIST SOLUTION: Increase government spending and regulation, so it costs \$9.50 to pay workers \$8, of which they can spend \$6.50 on what they now get for \$5. And don't mention land values.

TEA PARTY SOLUTION: Cut government spending, so it costs \$8.80 to pay workers \$8, of which they can spend \$7.20, including \$1 for essential services that were previously free. And don't mention land values.

FREE TRADE SOLUTION: Open the market to cheap imports, so it costs \$9 to pay workers \$8, of which they can spend \$7 on the products of employers of foreign workers. Well, at least our own workers will be able to buy more stuff. And don't mention land values.

PROTECTIONIST SOLUTION: Tax imports, so it costs \$9 to pay workers \$8, of which they can spend \$7 on what they now get for \$6. Consumer prices will rise because domestic producers, including exporters, will pay higher prices for imported inputs. And don't mention land values.

"FAIR TAX" SOLUTION: Replace existing taxes with a retail sales tax, so it costs employers \$8 to pay workers \$8, of which they can spend the whole \$8 plus a 50 prebate on employers' products, but the employers will get only \$6.50 after retailers pay the tax. Well, at least exporters won't pay it. And don't mention land values.

BANKERS' SOLUTION: Let us generate extra demand by making loans against inflated... ahem... land values, until the bubble bursts and the government raises taxes to bail us out. Then it'll cost \$9.50 to pay workers \$8, of which they can spend \$6.50 – just like the

SOCIALIST SOLUTION, except that the extra tax won't be used to create jobs; for that purpose we'll lend the government even more money, which will be repaid by raising taxes even higher (a.k.a. the **KEYNESIAN** solution). And don't mention the academic paper called "The business cycle: a Georgist-Austrian synthesis," which predicted the Global Financial Crisis a decade in advance.

PROPERTY INVESTORS' SOLUTION: Cut recurrent "taxes" on... ahem... land values so that we can more easily hoard idle land, prolonging the artificial shortage and pumping up a bigger bubble, causing a bigger burst, a bigger bailout, and a bigger tax increase, so it'll cost \$10 to pay workers \$8, of which they can spend \$6. Then blame the remaining land-value charges for bursting the bubble, and suppress the fact that higher land- value charges would have stopped the bubble forming in the first place.

UNMENTIONABLE SOLUTION: It costs NOTHING to produce the LAND that yields \$2 (or \$2 million or \$2 trillion) in "capital gains" and imputed rents, which are now taxed less than earned income, and which the owners therefore like to reinvest in more land. So let's collect public revenue from LAND VALUES. Then it'll cost employers \$8 to pay workers \$8, of which the workers can keep the whole \$8 to spend on employers' products now or later.