

CAUSE OF ECONOMIC WOES (Citizens Journal, Columbus, Ohio, September 5)

Now that almost all economists agree we are in a "depression", we ought to reason out the cause of it. A variety of causes are given: inflation, taxes too high, unions demanding too much, OPEC pricing crude oil too high.

Farmers are beginning to see that one chief hurt is too high a price for land or rent. Builders are saying the same thing. Too high a price for a building lot is as much a cause of the housing slump as high interest rates are.

Every depression can be traced to speculative rises in land prices. And depressions never end until land prices fall, either actually or relatively. In the past 50 years, inflation has been resorted to as a "cure", but now that it is out of hand, most people see that it is more like a drug, and we seem addicted.

The Democrats propose a \$12 billion "jobs" program. The Republicans propose a 30 percent tax cut. Either one will further unbalance the budget, meaning more inflation, ultimately worsening things.

It is not the level of taxation - or the level of spending - that causes our problems. It is the way taxes are levied that makes all the difference.

For example, the wellhead tax on oil discourages production, and adds to the cost of oil. But if a tax were levied on oil lands, in accordance with potential productivity, regardless of whether production is occurring, more oil would flow. And competition would control prices without bureaucratic price controls.

The same goes for any other resource - farm land, building land, mineral land, business sites, etc. Removing taxes on factories, railroads, farm buildings and other products of man's efforts would further stimulate business and foster real competition, promoting true free enterprise.

Henry George's century-old Progress and Poverty explains the whole idea. It's time to look into it.

- WOODROW W. WILLIAMS