
Why the Georgist Movement Has Not Succeeded: Response to My Discussants

Author(s): Warren J. Samuels

Source: *The American Journal of Economics and Sociology*, Jul., 2003, Vol. 62, No. 3 (Jul., 2003), pp. 629-632

Published by: American Journal of Economics and Sociology, Inc.

Stable URL: <https://www.jstor.org/stable/3487817>

JSTOR is a not-for-profit service that helps scholars, researchers, and students discover, use, and build upon a wide range of content in a trusted digital archive. We use information technology and tools to increase productivity and facilitate new forms of scholarship. For more information about JSTOR, please contact support@jstor.org.

Your use of the JSTOR archive indicates your acceptance of the Terms & Conditions of Use, available at <https://about.jstor.org/terms>



is collaborating with JSTOR to digitize, preserve and extend access to *The American Journal of Economics and Sociology*

JSTOR

Why the Georgist Movement Has Not Succeeded

Response to My Discussants

By WARREN J. SAMUELS

The discussants of my article have commented in a kindly manner and in the spirit in which my paper was originally written. For that I thank them.

Professor Heavey makes the point that Georgist true believers may not recognize Georgist policy successes “because they were not done *in his name*.” One thing that this comment brings to my mind is that success might be identified as a situation in which Georgist policy so dominated public finance and was so taken for granted that people no longer thought of it as *Georgist*.

Professor Heavey also emphasizes as the fundamental Georgist concept the proposition that people “have an inalienable right to the product of their own labor.” I want to point out two circumstances that have rendered this proposition highly problematic. First, the term “product of their own labor” has a rhetorical concreteness that is absent in actual markets. What counts is not only one’s physical product but also its value in the market. A worker can produce the same physical product but, if demand has fallen or supply risen, the exchange value of each unit of the product will tend to fall. So it is not one’s physical product but physical product times product price that matters.

Second, as I see the situation, although people may sometimes think in terms of what they produce or the value of what they produce, more often they think along two other lines. One line is a major theme of my paper. However much Georgists have identified land rent/increments in land value as *unearned*, most people think of their income as *earned*. The unearned-increment view negates the treatment of rent/increment as property, but the earned-income view affirms the property status of rent/increment. The spread of home (and therefore land) ownership, and the prospect thereof in the minds

American Journal of Economics and Sociology, Vol. 62, No. 3 (July, 2003).
© 2003 American Journal of Economics and Sociology, Inc.

of others, has provided support to the latter view. People are, in other words, interested in keeping what they feel that they have earned, which is what they have received, even though in their minds and hearts they think they should have received more. The second line is this: people who are workers, as distinct from managers, nonetheless tend to take a managerialist view of the world. In a nutshell, the managerialist view, as Selig Perlman put it, is opportunity consciousness—and the opportunity that counts is the opportunity to receive (= to have earned) income and the derivative opportunity to spend that income. In this respect, too, people are interested in keeping what they feel that they have earned—and that is the income they have received.

The proposition that people have a right to the product of their own labor is a fitting proposition in the discourse of economic justice. But in actual markets people tend to operate on the proposition that justice is what justice can get in the market—and what people get in the market, they feel they have earned. They do not want to hear—certainly they do not want to operate on—the premise or proposition that increments of land value are not something they have earned.

Professor Heavey notes that the original income tax was in effect a tax on wealth. Given the concentration of land ownership, the income tax was therefore an imperfect substitute, but a substitute nonetheless, for more conventional Georgist tax policies aimed at capturing land rent/increments of land value, such as unearned income. This is logically and substantively correct; but as Professor Heavey appreciates, Georgist ideology and myopia seems to have prevented an appreciation of this means of capturing unearned income.

Finally, I note that emphasis on free trade as Georgist doctrine serves to underscore the extent to which George's ideas were consistent with mainstream economic thought.

I turn to C. Lowell Harriss's comment. His remarks are full of practical wisdom, even of some hope. I have only one quibble. Professor Harriss argues, "The role of the academic should not . . . call attention to great dreams but to achievable results." My quibble consists of two points. First, the distinction between "great dreams" and "achievable results" is not always clear; moreover, it can be influenced

by action. Second, I do not see why academics should eschew calling attention to great dreams. Doing so is an important part of the value identification, clarification, and promotion process (see Samuels 2003).

Steven Cord's commentary is also laden with practical insights. I can respond to only a few of his specific comments (I retain his numbering):

(1) As for taxes on production that funded public expenditures having the effect of decreasing land values, one relevant point is that benefits tend to be concentrated, whereas tax burden tends to be diffused.

(2) As for Georgism vis-à-vis the dominant ideology of property: inconsistency, no; explicable paradox, yes.

(4) I did not say that land-value separation is impossible—only that it is difficult to be conclusive.

(7) My statement about unsafe positions by economists referred to mainstream, not heterodox, economists.

(8) and (11) It would serve no useful purpose to elaborate on either claim, that of diversity of personal agendas and that of intellectually ineffective followers and their destructive competition; and any elaboration would reflect the limits of my experience and selective perception.

(12) The right to oneself is not my claim, only an example used for illustrative purposes.

Mark Sullivan's comment is a deeply informed and caring account of what kept Georgist ideas from being in the vanguard of social reform movements in the 20th century. It is also a sensitive and sensible diagnosis of the present world situation. I particularly like his statements that globalizaton "is an ugly grafting of libertarian theories of privatization onto the realities of imperial militarism," that "Georgists are today in the unenviable position of trying to get a hearing for *a solution to a problem the public does not know it has*," "What, after all, would have succeeded?" and that "Rent is a relationship, not an essence or a thing."

One topic that has interested me during my entire active scholarly life is expressed by the query, *When is a problem a problem?*—or, *When is a problem seen and acted upon as a problem?* Sullivan

convinces me that the problems posed by Georgism—poverty as due to progress, and unearned incomes—are too esoteric and too remote to readily catch hold.

Finally, I quibble with Sullivan's position that on several occasions circumstances conspired to beat radical Georgist tax reform to the punch. My reading of the relevant history is that so far from Georgism being beaten to the punch, Georgism was not, alas, in the arena, surely not in the ring.

Reference

Samuels, Warren J. (2003). "Utopian Economics." In *The Blackwell Companion to the History of Economic Thought*. Eds. Jeff E. Biddle, John B. Davis, and Warren J. Samuels. Malden, MA: Basil Blackwell.