

# The Georgist Journal



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## The State of the Georgist Movement (According to Us)

It seems that we have three or four bouts each year of wrestling with the “malaise” of our movement. There are demands for bold new initiatives, desperate cries for professional help, and choruses of yawns to greet our (small, yet real) reports of ongoing progress. But, according to the 51 respondents to our survey on the state of the Georgist movement in 2001, which appeared in our last issue and at the 2001 CGO conference, things are not quite so grave. In fact, our survey depicted a group of advocates that is reasonably optimistic, and generally supportive of each others’ efforts.

The survey covered a wide range of themes: our general progress, ranking the importance of various movement priorities, the states of the CGO and the HGI, questions on our personal histories in the movement — and a few theoretical chestnuts just to keep us on our toes. Most of the questions asked for a rating of agreement/disagreement on a one-to-five scale, five representing strongest agreement.

There was a considerable divergence of views between the 20 respondents who read *Progress and Poverty* before 1970, and the 31 who read it since. When asked whether our movement has made significant progress in the last ten years, movement elders averaged 2.5. Post-1970 youngsters, however, gave it a buoyant 4.1. Strong majorities expressed approval of our publishing and Internet efforts.

Four questions asked what percentage of our resources should be devoted to four major avenues of activity: empirical research, networking with other activists, popular education, and property tax reform. It is perhaps indicative of our sense of urgency that although the survey offered a number of opportunities for adding up to 100%, the average percentage allocated was 110%, and the highest figure (apparently from someone who thinks our highest priority is fundraising) was 280%! The surprising aspect of these “priorities” questions was the lack of surprise: all categories ranked them 1) education; 2) two-rate activism; 3) research; 4) networking. ☞

I'm pleased to report that HGI members, as a group, favored a more even division among the categories than the other groups.

Noncommittal nods were given to the notion that we need a new textbook, ranging from 3.1 for HGI members to 3.4 for post-1970 folks.

On the two questions about the CGO conference, our colleagues strongly reiterated our desire to have it both ways, answering 3.7-3.8 on whether the annual CGO conference is best suited to an outreach function, or an "inreach" function.

The honor roll of Georgist mentors is topped, not surprisingly, with Bob Clancy's name, which was cited by six respondents. Other heavy hitters include George Collins with four, and Floyd Morrow, Sam Venturella, Frank Chodorov and Mike Curtis with three apiece. The following mentors all got single mentions: Jim Murphy, Everett Gross, Betty Noble, Rollan O. Regan, Noah Alper, Mr. Palmer, John Monroe, Tom Sherrard, Mildred Loomis, RobRob, Donald McDonald, Robert Andelson, W.A. Dowe, Gil Herman, Lindy Davies, Bob Tideman, Nic Tideman and Don Hurford. One respondent's grandfather heard Henry George speak in 1884.

Although it has been quite a while since many of our respondents first saw the cat, they are going a creditable job of keeping current. Fifteen read a book by Henry George as recently as 1995, and another 14 have read a volume on economic justice by another author in the past few years. *The Making of Modern Economics* and *The Corruption of Economics* topped that list.

Finally, HGI members registered strong support for current HGI projects, especially outreach in Africa and our Internet efforts. Agreement was not strong, however, on our dues level and the question of seeking accreditation.

## **Those Theoretical Chestnuts**

I just couldn't resist throwing in a few questions on economic theory. Now, making definite statements about such matters is always a risky business. But, I'm going to do it, and urge you all to feel free to write in. (I can hear the rustle of stationery already.)

*All taxes are collected at the expense of aggregate rent.* Yes, they are. Rent, remember, is a surplus; wages and interest (capital yield) tend downward to the lowest level that labor and capital will accept. So (although this certainly does not happen instantaneously), tax increases must be borne by those who collect a surplus. Mike Curtis adds, by the way, that the implication of this is that a tax cut will not increase production (except perhaps in a flash-in-the-pan sort of way). Taxes don't really lower production; they diminish rent. Land speculation is what truly retards production. Our survey agreed with this, but not strongly; we didn't break a four.

*As Georgists, our paramount goal is to eliminate land (continued on page 26)*

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speculation, and, thereby, to raise wages. I suppose this question is really more ideological than theoretical. But, it is what made me a Georgist; I give it a high five. Our survey rated it about four for every group but the post-1970ers. I wonder why. Is it because our younger colleagues want more focus on environmental concerns? We'd welcome your thoughts on this!

*The people of the world should develop a mechanism for public collection of the rental value of transboundary resources at the international level.* Although this idea has been endorsed by a number of prominent Georgists, it is conspicuously absent from Henry George's writing. Many believe that the logic of George's arguments leads us to this conclusion. Our survey should perhaps have included the related questions of whether justice permits a nation to restrict immigration, or to create pollution that harms its neighbors. Interestingly, in our survey it was the elder group who agreed most strongly with this proposition.

*The value of a site is affected by improvements made on that site.* A lot of ink has been spilled on this one! But the answer is no. Everyone can think of counter-examples that *appear* to show how putting up a big building raises land values surrounding it. But in every case, improvements are made to capture rent, not to create it. The rent comes first — caused mainly by the presence of people. The skyscraper erected in the middle of the desert creates no land value. In today's cities, of course, incentives are so mind-bogglingly bolluxed by speculation, zoning, subsidy and blight that it is almost impossible to separate out the layers of countervailing forces. But that doesn't alter the basic truth.



Now, I must admit that just as I was feeling reasonably confident on this point, one respondent rocked my world with the comment "sometimes the improvements can *lower* the site value". Oh, dear. Sure seems that way, doesn't it? But on closer examination, it is shown to be false. Cities (New York being an appalling example) do, often, under-assess sites that are under-improved — because they think in terms of "ability to pay" and treat the property tax as another form of income tax. It is absurd to think that underused sites are worth less. A site's value, all honest assessors agree, is its value if put to its highest and best use. And the cost of tearing down a valueless building is part of the cost of erecting a new building, not of the site itself. (Whew!)

I'm sorry to say that our survey was all over the map on this question; it showed the greatest variation of all. HGI members, alas, averaged an utterly noncommittal 3.0. CJ