

Georgism

Who owns natural resources?

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1



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Georgism is named for Henry George who was a newspaper editor in San Francisco in the 1870s and wondered how can California be so rich and yet have so many poor people? Why is wealth being concentrated in so few? George came to realize that the answer is obvious: land owners have a monopoly; they own the land and others have to rent from them. Since there is a limited supply of land, the land prices and rents rise and the owners get rich. George published his ideas in a top selling book “Progress and Poverty”, ran for President and died in New York in 1897.

Georgism is also called Geoism as it’s about who owns the resources of the planet and who gets the rent from use of those resources. The rent can be huge; as much as half of GDP. Most of this rent is privatized, leading to unprecedented wealth and massive economic inequality that has often ended violently.

Long ago, we all owned the resources of the planet in common. Then people began to enclose, actually steal, bits of land from the commons. Most land is now privatized and the enclosures continue as corporations make land grabs in Africa and South America.

We can understand Georgism by comparing it with Capitalism and Communism. In Capitalism, relatively few people own most of the resources and get the rent. We have multibillionaires taking joy rides in space while cold, hungry people sleep in tents on sidewalks, some of the last remaining bits of the commons. Communism said to nationalize resources and use the rent for public benefit. The Communists had to kill a lot of people to nationalize resources. Communism led to dictatorships and ultimately failed because it reduced individual incentives and entrepreneurship and ability to compete with Capitalism.

Georgism is a compromise between Capitalism and Communism. Henry George said it is not necessary to nationalize resources; let the Capitalists keep their resources and tax them the use of those resources. This is called a Land Value Tax but it's a tax on the use of all natural resources with limited supply, including such things as electromagnetic spectrum and geostationary orbits. LVT includes use of the atmosphere as a carbon dump so the carbon tax is a form of LVT. Some Georgists would extend LVT to tax monopolies of other things necessary for life, such as vaccine patents.

LVT reduces the price of land and thus house prices and homelessness. It reduces land speculation which is a major cause of urban sprawl and boom/bust economic cycles. Cities become more compact, more walkable and better able to support public transit. LVT can promote improvement of properties as it is a tax on land, not on buildings. A



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proving property as it taxes both land and
moved.

is not really a tax; it's the rent due to each of
ed planet. The revenue can fund government,
vidend to reduce poverty and economic
ce less fair, less efficient taxes such as on
is constant, land is "inelastic" and taxing it
n incomes and sales. And since land values
LVT/AGR revenue is stable and predictable.
possible tax, or at least, the least-bad tax.

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