

## Revitalization: A Dialogue

**W**ishing to expand the coverage of Georgist issues in the pages of *The American Journal of Economics and Sociology*, its editor, Laurence S. Moss, sponsored a panel discussion at the 2002 Eastern Economic Association convention in Boston. The discussants all addressed "A Speculative Memorandum" by economics professor Warren J. Samuels entitled "Why the Georgist Movement Has Not Succeeded." CGO President Mark A. Sullivan's contribution to the panel was a stirring call to re-radicalize the Georgist movement. It was presented as the keynote address at the Bridgeport conference. GJ Editor Lindy Davies took exception to many of Mark's points. His response, and Mark's response to that, are excerpted here in dialogue form.

**Lindy:** You want us to reform and revitalize. I must admit, there's a kind of bumptiousness about the annual CGO conference that irks our "professional" colleagues no end. You can see 'em wishing for trap doors to open beneath certain folks at Q&A sessions. But that kind of thing comes with the territory. Being "ready for prime time" comes *with* time, and with numbers. So I'm all for revitalization — it's the "reform," part that bothers me.

**Mark:** These remarks from my article were written in the aftermath of the terrorist attack on the World Trade Center: "The Hunger Project did not end hunger by 1997, an idea whose time was supposed to have come. Welfare was 'reformed' in the United States, and still the jobless and homeless sleep and die on the streets of New York City, many of them victims of forces beyond their control as much as those who died in the Twin Towers. The end of the 20<sup>th</sup> century has brought us full circle back to the 19<sup>th</sup> and all its unresolved issues and forces, monsters that seem to have grown stronger in their sleep — in *our* sleep." Perhaps, for purposes of this discussion, we can talk about reincarnating the Georgist movement.

**Lindy:** Yes indeed. Let's reincarnate the Georgist movement! When we lament our lack of influence, both academic and political, I think it is important to recall a couple of historical facts about the Georgist movement. It is true that the Henry George School, the movement's nexus and style-setter, was influenced by a contingent of individualists who were heavily anti-Communist, and, indeed, anti-activist. Nevertheless, the school did embrace the goal of popular education, and in its heyday in the 1960s, began to develop interests and commentaries well beyond the circle of its standard curriculum. This fruition was, sadly, halted by an abrupt shift in strategy, abandoning popular education for (unavailing) efforts to woo the favor of academia. The school's policy has teeter-tottered ever since. It never managed to build on the momentum that it has repeatedly shown

itself able to create. This fact, far more than any theoretical or tactical failings on the part of Georgists, accounts for our dwindling numbers.

**Mark:** This was one of the factors I had expected one or another panelist to have brought up in response to Dr. Samuels. I wonder if maybe there was a connection between the Georgist movement becoming intimidated by the Red Scare of the post World War II era and the desire to become academically respectable, leading to the destruction of a popular adult education program that might otherwise have gone on to become influential. My lament that Georgism has not become academically (or politically) *influential* is not a lament that it has not become academically (or politically) *respectable*. The fear of unrespectability, of disapproval from the establishment, could very well be a factor that inhibits a philosophical or political movement from becoming influential.

**Lindy:** Do you really think we could achieve greater influence by embracing the theories of George's "anarchist rival", Benjamin R. Tucker? In your paper you describe how Tucker believed there is no justification for any payment of interest on capital. You also note that Tucker "refused to ride in automobiles". What does Tucker contribute to our analysis today?

**Mark:** I brought in the example of Benjamin R. Tucker for several reasons: To compare and contrast him to George in order to gain more understanding of the social reform milieu that both of them participated in; to point out areas of economic theory and reform into which George could have further extended his analysis; and to suggest that we Georgists could learn from the way Tucker tackled a broad range of issues. An example I chose was Tucker's focus on the relationship of interest on money to interest on real capital (wealth), and of both forms of interest to poverty. I was happy to have arranged for Michael Hudson and Steven Zarlenga to address monetary issues at the CGO conference in Bridgeport. Zarlenga showed in the strongest terms that the "loaning" of money into existence at interest by private monopolists is both unnecessary and unjust. Hudson indicated that this interest is often land rent in disguise. I think we need to develop a Georgist critique of monetary monopoly and to offer an alternative. This is not a new idea. But it is one that was ignored in the Georgist mainstream for decades.

**Lindy:** I have no quarrel with that initiative. Lately it hasn't been been ignored, though. *Georgist Journal* #97 had no trouble finding material on the subject, at any rate — representing many widely divergent perspectives on "the money question". I think the mainstream Georgist position (if there is such a thing) has been to focus on "the robber who takes all that is left". I think it is worth remembering George's argument that if the money monopoly, the corporate-charter privilege and the patent monopoly were

all abolished, the land monopoly would be all the stronger — and furthermore that the monopolization of natural opportunities lends to those other forms of privilege much of their apparent strength.

**Mark:** The chief insight of Tucker and his fellow anarchists is that laws and customs of society need to be questioned, and not blindly accepted as “natural laws”. Tucker protested the acceptance of any “progress” or technology developed by and for monopoly interests. His eschewing of automobiles was a symbolic but futile gesture. I mentioned this, along with his ironic retirement to the principality of Monaco, as a humorous sidelight. But the destruction of America’s rail system by the automobile system, aided and abetted by governmental agencies dominated by real estate interests, gives some support to Tucker’s view that “Mechanism” is devouring humanity. Indeed, a major cause of death to US citizens is automobile accidents. And the destruction of New York City, as a community of communities, by a network of highways, is a daily reminder of the consequences of unquestioned “technolatr”.

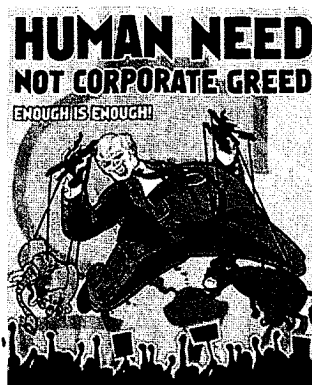
**Lindy:** Well, that does clarify things for me. Of course I agree with your characterization of the ill effects of technology applied in service of monopoly power. However, many people yield to the temptation of thinking these problems are due to technology *itself* — which is clearly untrue. For example, it seems to me that the human community, and the earth itself, is better off because of the invention of the internal combustion engine. Diesel trains, after all, can carry a lot more freight with less pollution than coal-fired steam trains. The severe wounding of New York City by the auto-plague is a matter of greed and privilege, foisted on a public that was too busy trying to make ends meet to think much about the important issues — and sold a bill of goods about “the free market”. Georgist analysis cuts to the heart of this issue.

**Mark:** True, but the tendency to “technolatr” was used by those with power and privilege to justify their agenda in spite of the harm done to others. Those who did not want to lose their homes to the bulldozers of Robert Moses were depicted as standing in the way of progress. Progress for whom? Another example of Tucker’s questioning of social arrangements was his view of corporations. He was in favor of genuine free trade, and he knew that the corporations, in their pursuit of capital monopolization, were up to something quite the contrary. The corporate charter began as, and remains, a state-created privilege — giving an association the status of a legal person, a person with a tremendous advantage over real flesh-and-blood mortal persons, i.e., over



labor. Corporations accumulate wealth, land, and money, and do not die. Laborers, on the other hand, produce wealth for these corporations; pay rent, interest, and taxes; go into debt; and die. This makes corporate privilege a Georgist issue.

**Lindy:** Well, I think the definition “a Georgist issue” is an interesting question. If the Georgist movement stands for social and economic justice, then all forms of injustice, all denials of fundamental human rights, all profits taken from the destruction of the natural world come under that purview. However, lots of people see the things that are wrong. What makes the Georgist philosophy what it is, and what makes it so vitally important, is its clear, consistent articulation of the fundamental economic problem and its solution. So, if we say that “corporate monopoly is a Georgist issue”, does that mean we should spend less time teaching the Law of Rent and more time joining the folks who scream at corporations? I’d consider that a waste of time, unless I could find a way to communicate our understanding of the *pivotal role of land monopoly* in creating the conditions that make it easy for corporations to do their plundering. Unfortunately, I haven’t found my corporation-berating friends to be especially interested in that point, so I have concentrated on speaking to people who are willing to listen.



**Mark:** Since corporations are a problem many social reformers know we have, our mission should include teaching the pivotal role of land monopoly in regards to corporate privilege. After all, there is a war going on for what looks like the purpose of securing corporate monopoly over high-rent-yielding natural resources.

**Lindy:** Your *American Journal* article suggested that George’s theory of interest has hindered the movement’s progress, by paying inadequate attention to “exploitation of labor by ‘usury,’ especially interest on capital”. Could you elaborate on that?

**Mark:** George’s theory of interest, as representing the natural increase of real capital (wealth), has a bearing on monetary interest, but is not identical with it. Unlike physical capital, which has a life-span and then returns to land — money, like corporations, is in effect immortal. Compound interest has driven whole nations into poverty and slavery. This is a burning issue today with regard to globalization, and it must to be addressed by Georgists in order to rekindle our movement to solve the problem of poverty. Whenever

rent and interest exceed the capacity of labor and real capital to repay, the system collapses and much harm is caused. The purpose of ancient jubilee laws was to cancel such debts and redistribute the land that was sold to pay the interest on money — before a catastrophic collapse.

**Lindy:** You say in your article that Georgists “need to see beyond George’s 19th century categories and terminology.” You suggest that the treatment of land as merely a factor of production fails to adequately provide for the protection of the natural environment. What modifications would be needed?

**Mark:** During the 19<sup>th</sup> century it seemed as if Western institutions were the standard by which

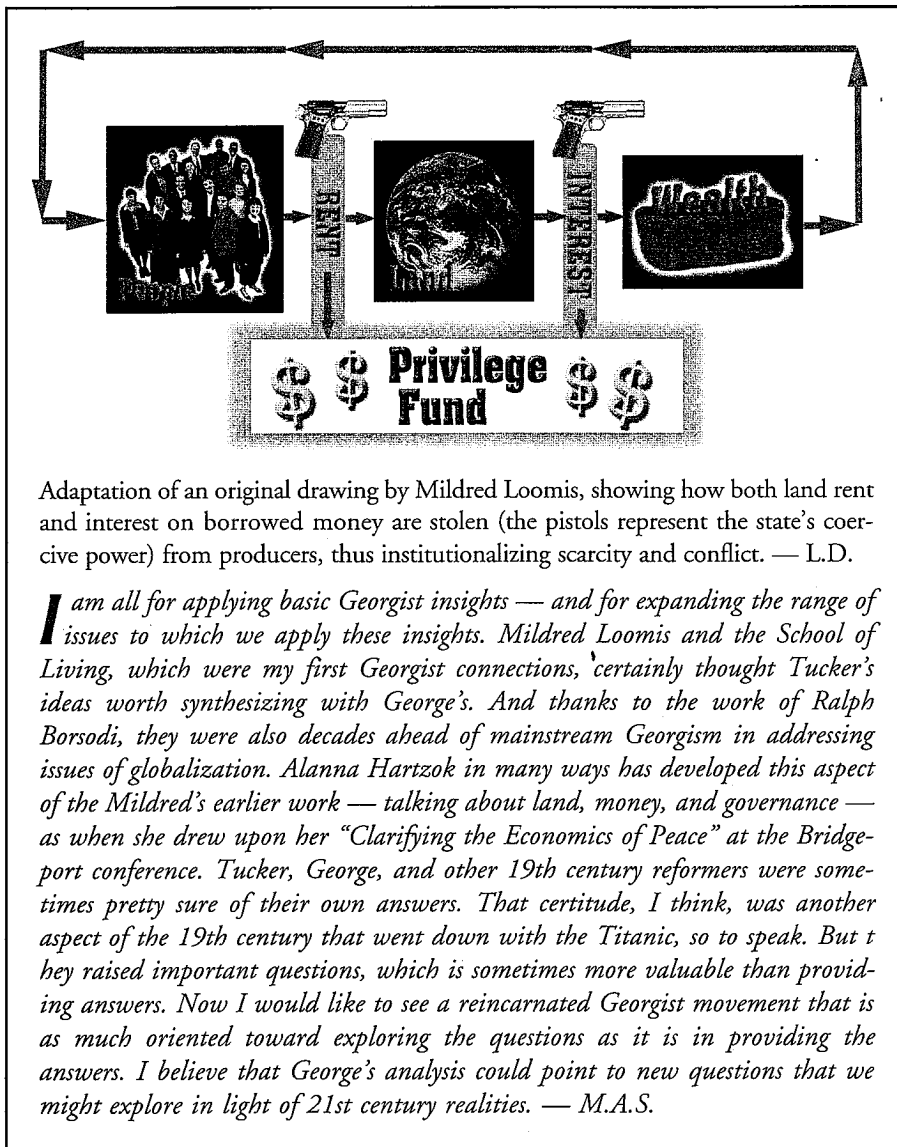
all other societies and cultures were to be measured. The “white man’s burden” was to dominate and exploit the land and labor of the rest of the world, and this was rationalized as being “progress”. Western society, based on private property in land, was seen as



“natural”, meaning “morally superior”, justifying its imposition by violence upon others. I think the course of 20<sup>th</sup> century history, with its wars of imperialism, has shown how destructive the white man’s way of life has been for other peoples, other species, and the planet as a whole. Private property in land is but one way to relate to land, but it may not always be the best way for all times, peoples, and circumstances. In this 19<sup>th</sup> century Western model, land is there simply to be monopolized and abused, as Western society advanced across the face of the globe. But George saw the negative consequences of this, and to this degree he did shed the 19<sup>th</sup> ruling ideological bias.

What modifications are needed? We need to acknowledge that rent is the economic value of land measured by a market for privatized land, but that land can have social and ecological values that cannot be measured by a privatized market. George rightly said what was needed: “We must make land common property.” In order to protect other species from extinction, which is happening at an alarming rate, I think we as a political community need to do just that — and take more land off the market and hold it in trust for the benefit of other species. We as a cultural community need to regard land as *more* than a factor of production, or, to put it differently, in some cases as something *other* than a factor of production.

Perhaps I over-generalized when I said “the creation of wealth requires the destruction of nature.” In this statement, by “nature” I meant what George meant by “land”: the universe outside of humanity and our products or wealth. I should have used “land” to avoid confusion. Land does



Adaptation of an original drawing by Mildred Loomis, showing how both land rent and interest on borrowed money are stolen (the pistols represent the state's coercive power) from producers, thus institutionalizing scarcity and conflict. — L.D.

*I am all for applying basic Georgist insights — and for expanding the range of issues to which we apply these insights. Mildred Loomis and the School of Living, which were my first Georgist connections, certainly thought Tucker's ideas worth synthesizing with George's. And thanks to the work of Ralph Borsodi, they were also decades ahead of mainstream Georgism in addressing issues of globalization. Alanna Hartzok in many ways has developed this aspect of the Mildred's earlier work — talking about land, money, and governance — as when she drew upon her "Clarifying the Economics of Peace" at the Bridgeport conference. Tucker, George, and other 19th century reformers were sometimes pretty sure of their own answers. That certitude, I think, was another aspect of the 19th century that went down with the Titanic, so to speak. But they raised important questions, which is sometimes more valuable than providing answers. Now I would like to see a reincarnated Georgist movement that is as much oriented toward exploring the questions as it is in providing the answers. I believe that George's analysis could point to new questions that we might explore in light of 21st century realities. — M.A.S.*

renew itself, but if our rate of taking from land exceeds the rate at which land renews itself, then we have a problem. And the problem, I think, is rooted in our cultural attitude toward land as primarily an economic resource, not as something to be valued for its own sake. What land is *for us* is not necessarily what it is *in itself*. Land was here before we humans arose out of it, and it will be here long after we all return to it.

This goes back to primordial wisdom. The ancients knew the Earth as the Mother of all. Forgetting this has led to the ecological crisis that now

confronts everyone on the planet. It was because they regarded Earth as Mother that our first ancestors did not conceive of land as private property or, in other words, as a commodity.

**Lindy:** The ancients developed their profound wisdom about the Earth while living in a pretechnological world with plenty of room. I am persuaded that Western society did indeed lose track of that wisdom for a while, as it got excited about its new technological toys. Now, however, land rent, which results from the commodification of land, is the tool we must use to build a sustainable future. We cannot go back to some state of pre-industrial innocence. I think we need to see Georgist analysis as the great and sorely-needed synthesis between that ancient wisdom and the inevitable need to use our technological tools in the creation of a just and sustainable world community.

In your paper you said that we need to fashion a new Georgist social ecology, and I agree. Let's start with this: the production of wealth does not require the destruction of nature; the production of wealth is *part* of nature. In this, I'm proposing to define "nature" differently than you did earlier. It seems to me that nature is not just what Henry George would call "land". Nature also includes human beings — and therefore, if any laws of human behavior can be identified, then nature includes them, also. I think that the necessary first step toward realizing the earth-consciousness that we so desperately need is to institute an economic order based on those natural laws of justice. That doesn't mean it will be easy to do — but what's the alternative?

**Mark:** What's the alternative? Don't think we have one. But I do think it's a chicken-and-egg sort of thing. Realizing earth-consciousness may also be the first step toward instituting an economic order based on natural laws of justice. I agree that in reality humanity and wealth are parts of nature, too, along with, interconnected with, everything else that exists. It's another important point we could be making. Mainstream economics needs to factor in all of nature, including land, into its analysis, incorporate the insights of ecology, and not treat economy as separate from nature. Here is where we Georgists have an important contribution to make to mainstream economic theory. Economic reform is more challenging, as we know, because it really means political reform. I'm not saying we should stop doing whatever else we are doing, but I do think we need to reach out to others who also are working for political reform, for a just society. Most of them are already working together, addressing issues of global corporate domination, war, human rights, and poverty. Finding those who are sympathetic to our message and working with them could help *us* to succeed, and help *them* to succeed. Indeed, it could help to "reincarnate" our movement — to give it new life. If we do that, then we can help to save our world. **GJ**