

"We are all georgists — we just don't know it"

Henry George was a brilliant thinker, said Tolstoy. A talented writer, thought Marx. The state budget's great source of inspiration, says Trygve Slagsvold Vedum. This is how Norway became the beacon of Georgism in the world.

¹Our unknown guiding star: Henry George exposed "the sin of owning land". Just over a hundred years later, he is the salmon tax's source of inspiration and the national budget's forgotten ideologue. (Photo: Sofie Amalie Klougart)

By Håkon Gundersen, journalist | Sofie Amalie Klougart, photographer and Matthew Busch, photographer.

He says it clearly, the finance minister, that he is inspired by Henry George. Time and again he says it. But the confession does not create any headlines, because hardly anyone knows a word about this American thinker from the late 1800s.

When Vedum was asked this autumn, during an event in the Polytechnic Association called "In-depth conversation about the state budget 2023", what he was most proud of, he said again: "I want to single out one of my great sources of inspiration for this budget, the American social philosopher and economist Henry George. After all, the discussion has been about ground rent, and this whole thinking about how the community should get income from the use of large natural resources, it is Henry George who is the main source of inspiration."

Vedum sees the cat

No follow-up questions came this time either. We turn to encyclopedias to build confidence enough to ask. Wikipedia proves to be the best: "Georgism is a set of philosophical and economic theories named after Henry George (1839-1897). The economic theories assume that although everyone owns what they create, land and everything else in nature belongs to all people. George investigated this question in his major work *Progress and Poverty*." Ground rent is

¹ Indented text is the text to the pics.

used for income that derives directly from creation, be it land, mineral extraction rights, fishing quotas, hydropower, petroleum. The Georgists will impose a high tax on such income, so-called super profit, a so-called ground rent tax, i.e. this term we heard about from the Center Party and the Labor Party this autumn and which, if the parliamentary majority allows, will be imposed on the "salmon barons" for their use of our God-created fjords.

Vedum, the Georgist: Finance Minister Trygve Slagsvold Vedum when he presented the state budget on 6 October 2022. Two weeks later, he said in a so-called "in-depth discussion" about the state budget that the much-discussed salmon tax is inspired by Henry George. (Odin the Drone)

We could have put up with this about Georgism, if it weren't for the fact that life has recently been breathed into this "ism" from the most unexpected quarters. And not only when it comes to ground rent on natural resources, which we have become accustomed to, but also what is more drastic for us, the tax on the plot of land under your house.

"We are all Georgists — we just don't know it", is a slogan in Georgist circles worldwide. The Georgists also talk about "seeing the cat", that is, seeing the extent to which ownership of land affects the economy, it is a sudden change of perspective, surprising and irreversible. Some see it immediately, others never. (Look at the drawing below and see if you see it.)

Do you see the cat? Some see it immediately, others never. It is the same way with Henry George's insights, say the Georgists. Once you see the cat, you can never un-see it. Illustration from the book "Land is a Big Deal, Why rent is too high, wages too low, and what we can do about it" by Lars A. Doucet, 2023. Hint: The cat is big! (Nick Hayes)

Vedum sees it, he knows, while the rest of us who drag out our lives in a state that lives well off ground rent on both hydropower, oil and soon perhaps the new salmon tax, we live in the dark, despite the fact that Norway is portrayed as the beacon of Georgism in world.

And who do we have to thank for that? We have Liv Ullmann's great-grandfather to thank for that. Or if you like, the great-great-

grandfather of trade unionist Boye Ullmann. We are talking about Viggo Ullmann himself (1848-1910), folk high school student, parliamentary representative and arch-Georgist. From here we could have lapsed into old patterns and written yet another cultural history morning newspaper article with an emphasis on, for example, Arne Garborg's path from God to George. But hey, we have contact with Houston.

Where the zeitgeist lives: Lars A. Doucet lives in the small town of Brady in Texas and published the book *Land Is a Big Deal* in the New Year. Through podcasts and collaboration with an intellectual blog star, Scott Alexander, he is in close contact with neo-Georgists in Silicon Valley. (Matthew Busch/For Morgenbladet)

Georgist start-up company

- Do you think it is possible for me to gain access to the Norwegian land register? It is Lars Doucet asking from Texas. Norwegian-American Lars is a computer game developer and adviser to bitcoin investors. It is on the eve of the interview about his new book, "Land is a Big Deal" and the Henry George wave among young tech people that he asks me about the Norwegian property register.

- I am applying for access, he says.

- Our team collects all property data, I need to know what all the land in Norway is worth, says Lars.

Doucet has established a start-up company that carries out valuations of property, and then understood as all land, as distinct from the buildings that stand on the site. It is property Georgism is about, and then the earth itself, God's gift to mankind, which no one has earned and therefore no one should have the profit of the increase in value on. Property in the sense of house and your new tiling, on the other hand, which is man's own work, Georgists do not care to appraise. It is the property's increase in value as a result of the location that must be taxed, in the form of ground rent tax. The Georgists say like the estate agents: "Location, location, location". They have adopted the catchphrase attributed to Mark Twain: "Buy land, they're not making it anymore". Geoism is then also a term that some of today's neo-Georgists prefer.

Because as Vedum said in the in-depth conversation about the state budget 2023: "What is interesting about Henry George is that he also believed that if you had large, state investments, such as in roads, railways or, for example, the Opera, then those who get increased property value as a result of such investments pay that added value back to the community. Now we have discussed ground rent tax in Norway, but only on natural resources, but for George it was also about the land itself. When it becomes worth much more, the extra profit should go back to the community".

George's Magic Medicine: Campaign material from the mayoral election of 1886. The snake that crawls out of New York City Hall is full of corruption, bribes, monopolies and other inhumanities. On the club at the bottom right is the title of his best-selling book, Progress and Poverty.

Trygve's timing

If they read this in the Home Owners' National Association, they will probably wonder what the finance minister is up to. As a declared Georgist, does he want to increase the property tax to something close to the increase in value experienced by those who own property in attractive areas?

We asked the minister nicely for an explanation, but then it was "the timing". The salmon tax is controversial enough, even if it has already been somewhat shaved, so Vedum politely declined, and after admonition came this from the State Secretary's team: "Hello. We took a spin on it now. He does not want to take this round now, but is open to such a talk. But, not until after the proposal has been presented to the Storting". And the Ministry of Finance has reported the issue of the salmon tax to the Storting "in the March programme", we were told.

No communications adviser will see any advantage in the new tax, when it is to be passed through Parliament, being linked to a mostly obscure 19th-century figure like Henry George.

"Be hold. Try this one"

But Vedum's interest in Georgism is no more curious than that the head of the economic commentators in the Financial Times itself, Martin Wolf, shares it. Last Sunday, 5 February 2023, he struck with

the following headline: The arguments for a land rent tax are overwhelming. And he confessed: "I have long been a supporter of land rent tax. Such a tax will be both economically efficient and fair," asserts this Oxford-educated economist who looks like the dry matter-of-factness himself. Then he sweeps through the 19th century, salutes with his hat to Henry George, and calls it a tragedy that the following century's economists began to count a natural beauty such as land, i.e. the plot of land, as part of "produced capital" in the same way as what is written on the property which is actually the fruit of human effort, a house for example, a commercial building.

"The land under my house," writes this commentator who lives in hog-expensive London, "has risen enormously in value in recent decades. And I haven't done anything to deserve this." Here he is completely Georgist and says that the increase in value is due to the efforts of all those who over time have contributed to the infrastructure and prosperity of London, including all previous generations of taxpayers. Such an increase in value should be taxed and distributed to the community.

These non-man-made resources make up close to 60 percent of all value in Great Britain, and just over fifty percent in the United States, writes Wolf and lists a whole lot of other reasons in addition to the moral one, including that our little spot on earth is a tax object which cannot be moved. The fact that it has not been politically possible until now is due to the fact that more and more voters have become home owners and thus land owners, says this Briton, but: "Be bold. Try this one", exhorts Martin Wolf. Presumably to a chorus of skeptical whining from his land-owning readership — which probably also includes our own Home Owners' National Association.

The Promise Maker: An anti-George caricature from the mayoral election of 1886. The devil tempts a worker to look at the abundance George promises the poor. Promises of free property and free beer pour out of the cornucopia. (Joseph Keppler)

The insight from the view of San Francisco

Apparitions preferably occur on a mountain. So also in this case. "One day in 1871 he went for a ride". This trip is the turning point in all accounts of Henry George's life. He has told about it himself: "To

let the horse rest, I stopped on one of the hills overlooking the San Francisco Bay and - almost to have something to talk about - I asked a coachman who came by what a piece of land over on the other side of the bay could cost. The coachman pointed to some cows grazing so far away that they looked no bigger than mice and said, 'I have heard of a man who is willing to sell land for a thousand dollars an acre. acre'. Like a bolt of lightning it struck me," says George, "that here was the reason why increasing poverty accompanies increasing wealth."

He rode home in deep thought, he writes, about how private property owners, without even lifting a finger, can see the value of their property disappear when the public invests in infrastructure, as was now happening in Oakland, which was the terminus of the railroad that then had reached from the east coast to the west coast. Buying a piece of land to farm, or a plot of land near the city to build a home, was completely unrealistic for most people. The more thoroughfares, the greater immigration, the more commerce and industry, the more the value of the land will increase, and labor wages will tend to fall, George reasoned.

George had turned 42 years old when he was out riding with a view of the two emerging boomtowns of San Francisco and Oakland. Until then, his life had been in turmoil. As a fifteen-year-old in 1855, he had left his position as a typographer's apprentice in his native city of Philadelphia - after an argument with the foreman - and gone to sea. He sailed at tramp speed with lumber around the world, the poverty in Calcutta made a particularly strong impression.

"I could have killed him!"

Lured by the news of the fortunes made in California after the gold rush of 1849, and by the good times that would surely follow from the imminent arrival of railroad tracks on the West Coast, he settled in San Francisco in 1858, not to become a gold digger, but to buy land that could contain gold. The project went badly and through the early 1860s "I tore my clothes until they hung in the laser and walked with my toes out of my boots", he recalled. He slept in the office during the periods when he had temporary positions as a writer in short-lived newspapers, and otherwise walked the streets and picked food for his wife and children. On one occasion, he decided to stop

the first well-dressed man he saw on the street, explain that his wife Annie was in maternity bed and that he needed five dollars for food for her. "The man actually gave me the money. Had he not done so, I think my despair was so great that I might have killed him," George later recalled.

An honest look. Henry George in 1886, the year he ran for mayor of New York. In the same year, his book was published in a Norwegian translation. (Wikimedia)

As a writer and occasional editor, he had commented on the very big companies, namely Wells Fargo, which had branched out into finance and transport during the gold rush, and the Central Pacific Railroad, which lived fat on public contracts. It ended with the railway company buying up his newspaper and getting rid of the critical voice.

On a reporting trip to New York for one of the newspapers he worked for, he had seen the same thing he now saw developing in San Francisco, ostentatious wealth side by side with "whole nations of cave dwellers in the wretched slums". In 1879, eight years after the ride, Henry George was able to put the finishing touches to the script for the book *Progress and Poverty*, with the subtitle "An Inquiry into the Causes of the Industrial Crises and the Growth of Poverty Amidst Growing Wealth". It would turn out to be a hellraiser of a book.

"George is a great stylist but a mediocre thinker", claimed critics, but the message caught on, George was also an outstanding speaker and was invited around the country and shore, and especially among poor Irish in New York he became a hero. In a short time, three million copies of the book had been sold, and as a result of, among other things, an exuberant review in *The Times* in London, he was able to travel the world as a speaker in an unusual frenzy. Throughout the 1890s, only the Bible had higher sales figures in the English-speaking world.

Three earth thinkers: Marx, Tolstoy, Garborg

Sitting in London in 1881, the old Karl Marx had been sent three copies of *Poverty and Progress* by acquaintances (one of which he gave to Engels), but Marx grunted at the contents. Basic rent tax had

already been discussed by Engels and himself in *The Communist Manifesto* (1848), he wrote to the person who gave him the book, "but then only as a transitional arrangement before communism", he stressed. But then, "George is a talented writer, albeit with a talent for Yankee marketing as well," said Marx.

Another who pondered land and property, Leo Tolstoy, on the other hand, read George with enthusiasm. "Brilliant," he wrote in 1894. "Became very vividly aware again of the sin of owning land. It's amazing that people can't see that." Now George's proposal for a system for calculating ground rent tax was probably not perfect, Tolstoy thought, but the valuable thing is that he establishes an attitude towards land that is universal and the same for everyone. "Let them find something better, whoever can!"

Among soil-thinkers, we have our own in Arne Garborg, the writer who gave up the farm he was destined to inherit. He had encountered social democrats for the first time during a stay in Germany, writes Garborg (this was probably around 1890), but he did not share their view of the state. Would it not sooner or later become all-powerful, at the expense of private initiative - which is, after all, society's driving force?

"Yes", Garborg answered himself, "but it is this tangle that Henry George solves", Garborg believed - here with an exclamation mark: "Social justice can be implemented without infringing on individual freedom!". And that without the slightest need for revolution. No, the problem can be resolved democratically through such a peaceful means as a tax reform, Garborg wrote enthusiastically. The land as a whole belongs to the people, but each individual piece of land can fully belong to a person for a reasonable fee, which at the same time would have to be so high that it would be too expensive to sit on the land to speculate on the increase in value. This land value tax was the only tax society could collect, and it had to be used for the good of all. These were George's words that captivated Garborg so that in 1907 he joined the Norwegian Henry George Association.

And it is exactly this justification that Garborg gave, which means that people of both conservative and social-overturning leanings have been able to join George through and through. The first because there will be only one tax, no taxation of what we want more of, namely honest work, moreover these are captured by the message of free

trade. The latter because that tax will be sufficient to cover society's needs, if it is calculated correctly, and because no one wants to get rich just by sitting and owning.

Faithful: Per Møller Andersen has been a Georgist for fifty years, but has given up convincing others. He was a sailor, became an engineer and worked, among other things, in Åndalsnes where he helped build an oil platform. Here he is photographed in front of the Henry George library at Østerbro in Copenhagen. (Sofie Amalie Klougart)

The line from Castberg to Vedum

- Here we have a lot of Norwegian George literature, says Per Møller Andersen. He manages the Henry George library at Østerbro in Copenhagen.

- I am the only one who visits the library now, I am the only one who has the key, says the old man and recalls that the Georgist party Retsforbundet was represented in the Danish Parliament in almost every year from 1926 to 1981. In the post-war period they were in two periods part of a government coalition with the Social Democrats and the radical left.

- I'm an old sailor, sailed for six years, came home and wanted to study engineering, get married and have a place to live, but we couldn't afford it. I felt something was wrong, but the study period passed before I found out that what is wrong is that the land itself is privately owned, says Per Møller Andersen.

- How did you discover Henry George?

- In 1973, six or seven years after I got married, and we still couldn't afford to buy a house, says Møller Andersen.

- It occurred to me that it is all about ownership of the land. Then I read *Progress and poverty*.

- How did you get over it?

- I saw an advertisement, it was for sale for eight kroner. After reading it, I bought several and gave them to my friends. They didn't understand anything then, and now I've been talking to them for fifty years and they still don't understand anything. Now I've learned that when people don't get it, just stop. My son is 56 years old, he has heard about George all his life, but does not understand it. He is a real estate agent. He was just here. There he went.

- Here we also have all the years of the Norwegian magazine *Retfærd* which was edited by Viggo Ullman, says Møller Andersen and speaks warmly of Ullmann, Grundtvig, folk high school board and radical parliamentary politician for the Liberal Party.

Land for the people: Henry George's son Richard Fox George was a sculptor and made a bust of his father in his last years. This bust that the Danish Georgists have is another. Per Møller Andersen brings it down. "Land for the people", it says on the plinth. (Sofie Amalie Klougart)

"Free Land"

Viggo Ullmann translated *Poverty and Progress* into Norwegian already in 1886 and was the main man behind the Henry George Association in Norway, which Arne Garborg also joined. But in Norway there was never a Georgist party. The Labor Democrats came closest around the turn of the last century, Johan Castberg's party of small farmers and workers in the fjord regions. It was Castberg who, from 1906 to 1917, got through the Storting the concession laws which mean that the value of Norwegian hydropower essentially accrues to the public, or the community, as today's Finance Minister Vedum chooses to say when he talks about Henry George and his other role model, Johan Castberg. The inspiration came, among other things, from a Swiss Georgist movement called "Frei Land". The fact that this tax pressure was continued also for North Sea oil means that Norway in George circles is referred to internationally as a Georgist lighthouse.

But it is in Denmark that the ideas have survived as a movement. Barely. "All people are Georgists - they say - they just don't know it. I became aware that I was one day in 1973. I hope that you too will find out. Look around you". This is the humble request from Per Møller Andersen.

- I have given up explaining it to people.

- You say we should just look around. What should we look for, then?

- As a Norwegian, you live in the world's richest democracy. Why then do you have poor people among you? It's property prices. Either you understand it, or you don't.

- It's like with this cat?
- Yes. Some people see it right away.

Some never see it. But once you've seen it, you can never un-see it.

Resuscitation attempts

On 22 November last year, a newsletter was sent out to the former and current members of the Justice Party. The party has been disbanded, but the society is in the middle of a revival attempt, it said: "For the first time in decades, we are making modest progress. The humble result is that we have progressed from 50 to 70 members".

But 20 of these are "residuals", they had not paid their dues at the end of November. They were given a deadline until the New Year.

- As a party with only 56 paying members in the end, we spent hundreds of thousands of kroner a year on nothing. Now we will spend money on driving the ideas further. We have the money, says Møller Andersen.

And one immediately thinks that here everything is in order for enterprising youth, just to coup the union, run away with the coffers which are obviously a stash of funds from endowments created by former Georgists. In the appeal regarding the revival attempt, it is stated that the union has "significant fund resources" and thus has in any case laid a financial foundation if fresh forces emerge.

- Do Danes generally know of your society/party?

- No, no one knows that. And they don't know Henry George either. We have lost completely, is the wistful conclusion of the man with the key to the George library.

"The flame is out. And then we have to wait and see if the smoking wick flares up", says the newsletter from the Danish Georgists.

"In my feed, where the zeitgeist lives"

In the United States, it has flared up. When I started muttering about Vedum and George here in Morgenbladet, I thought that as a journalist I was once again safely buried in an alluring and delightfully un-topical topic, but then I came to mention Georgism to my sidekick, a very contemporary colleague, and this sidekick quipped: "There was just a podcast about it in my feed, where the zeitgeist lives." And

truly, here is the zeitgeist so it fits. The new Georgists are into George memes and emojis.

- Without wanting to, we have recreated the scarcity of land in the computer games. In Final Fantasy, Star Wars Galaxies, and all stupid crypto games, says Lars Doucet.

His mother is from Trondheim and he himself lives in Texas and appears in podcasts within all political camps in the polarized USA after he published the book *Land is A Big Deal* in the New Year. The foreword is written by Scott Alexander, according to my colleague a widely read figure among tech-oriented, podcasting, substack-reading zeitgeist circles in Silicon Valley.

- Until last year, I worked as a consultant for a blockchain company. Granted, I pretty much warned against putting money on it, and it was also hacked from North Korea and \$150 million was lost. The interesting thing is that what became popular was the purchase of virtual properties. In this way, digital loans could be sold. I had observed it before with these virtual housing crises, so I thought it was time to learn how real estate works. Thus I came to George and was struck by the fact that everything he predicted about developments in real estate also happened in these computer games.

- Then did you see the cat?

- Yes. At first it was just a cool book I had read, but then it changed my life.

In the book *Land is A Big Deal*, Lars has addressed the most important objections to George

- Now I don't define myself as a rationalist, but perhaps something close. Anyway, I collected the best of these objections and decided to answer them based on Henry George. Then I was convinced myself.

Norway is already quite a Georgist country, says Lars. He has written about the Norwegian Oil Fund as a Georgist success story and an article he has translated he entitled "Norway, the Once and Future Georgist Kingdom". In the original language, it is called "The new oil" and was written by the Norwegian researchers Anne Margrethe Brigham and Jonathon W. Moses, published in Norwegian State Science Journal, No. 1 2021. There they explore how the ground rent principles we know from oil can be applied to "the new oil", and then refers to wind power and bioprospecting (ie the utiliza-

tion of our common biological building blocks, such as genetic material, for example).

- But so far it is only in natural resources that Norway is a role model, i.e. hydropower, petroleum and now the use of the fjords for farming, says Lars and points out that we have far lower property taxes than the average among the states in the USA.

Lizzie, Georgist and Feminist

Like most Georgists, Lars Doucet likes to tell the story behind the board game Monopoly. It was constructed by the Georgist and feminist Lizzie Magie in 1903 and was named "The Landlord's game".

- She was a Georgist and wanted to show that what happened with the capitalism of the time was that one person is left with all the property, while everyone else becomes poor.

Henry George (1839-1897)

In March, the government presents to the Storting its proposal for a ground rent tax on salmon farming, as we already have for hydropower.

Finance Minister Trygve Slagsvold Vedum is a warm supporter of Henry George (1839-1897). He became a very popular writer and journalist at the end of the 19th century, and is considered the great thinker behind Georgism (which is also named after Henry George).

His book *Progress and Poverty* started a political movement that fought precisely for land rent tax. As early as 1884, Bjørnstjerne Bjørnson advocated a Norwegian translation. The book appeared in Norwegian two years later, in 1886. In 1905, a new edition appeared, but has not been republished since.

The Henry George group in Norway published the journal *Retfærd* from 1908 to 1918. Since then the movement waned in Norway, but overwintered in Denmark.

Not only did she show it, she has let generations experience how angry you get at the pig who has a hotel on the Rådhusplassen (Town Hall Square). But that's only half the story, because Lizzie Magie's game also had another variant where the goal was not "monopoly" but "prosperity". The rules of the game were Georgist, part of the

rent to stay in a hotel on Rådhusplassen went to the bank and was distributed fairly, so that everyone was happy.

- One of the main objections to Georgism has always been that you have to set a value on property without buildings in order to impose ground rent tax. The Georgists' biggest mistake, over generations, is that they have not taken seriously that if you want to have political impact, you have to do the maths first, says Lars.

This is precisely what the enthusiastic Norwegian-Texan has set out to do. One of the most common objections to Georgist taxation is that the value of property without man-made structures, such as houses, must be calculated precisely. This cannot be done, says the objection. To disprove this, Lars Doucet has started a company which, with the help of big data, will make these calculations in a way that is more suitable for Georgist taxation than the real estate industry does.

- Do you think I can get access to the Norwegian cadastre? Am I a Norwegian citizen too?

Henry George vs. Teddy Roosevelt.

But George himself, then? How did it go? We left him around 1890, at the height of his fame. He had set out to finish the book *The Science of Political Economy*, which he considered his main work, but the work was interrupted by the fact that twice, while he was just over fifty, he was urged, especially by the town's newly arrived Irish population, to run for mayor of New York City. The first time he narrowly lost, but received more votes than Teddy Roosevelt, the later president.

The second time, in 1897, it was health. The 57-year-old George stayed at the Union Square Hotel, rehearsing his speech for yet another campaign rally, and froze in front of the window. Annie, his wife, describes what she saw: he stood in a pose as if he were speaking, clutching his chest, repeating and repeating the word "yes." She guided him to bed. Then it was over with Henry George. It was the heart. The funeral became a public event, George was laid to rest in a parade, a hundred thousand people filled the streets and to his surprise the funeral reporter in *The New York Times* had to state that "Not even Lincoln had a more glorious death".

George is not my Christ

Henry George says he found a truth and not a theory like other economic theories. It provides fertile ground for culturing him almost religiously. Arne Garborg was among the loud-mouthed: "Henry George, a genius force, working through a clear, noble, fully cast personality, stands for me as something almost unbelievable in this strangely fragmented time. And I believe that a country that creates such a figure has not yet been lost". He is undoubtedly one of those people you enjoy reading about. Does it also apply to Lars Doucet who spends a lot of time with George?

- The worst you can say is that he was a bit racist towards Chinese immigrants, but otherwise, when it came to the relationship between races and women's rights, he was ahead of his time. Yes, I'm probably quite fond of the person Henry George, but I don't see it as my task to defend his honor. If there's something in his idea building that I don't think will work, I just leave it. He's not my Christ or anything.