

Geo-Libertarianism

LIBERTARIANISM and Georgism are currently two different movements, two separate philosophies.

Libertarianism is based on the premise that each individual has, as the U.S. Libertarian Party puts it, "the right to exercise sole dominion over his or her own life . . . [and property], so long as he does not forcibly interfere with the equal right of others to live their own lives in whatever manner they choose."¹ In my book, *The Soul of Liberty*, I state the formula in a less circular manner, saying that each person has the right to do as he pleases so long as he does not "coercively harm others."² A natural corollary of this is that "the sole function of government is the protection of the rights of each individual."³ "to prevent people from harming one another."⁴ "In economics, libertarians advocate the establishment of the purely free market, that is, a market unhampered by government intrusion."⁵

Georgism, derived chiefly from the writing of Henry George, although others have written along similar lines, is the concept that the ground rent, the economic rent of land and other natural resources, exclusive of man-made improvements, should be paid to the community, since all

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humans have the equal right to use the land. Furthermore, no other tax should be levied on labour, wealth, or transactions, since each person has the right to the full product of his labour. Land is not produced by labour, and its value is generated by the community, thus its rent should be paid to the community. If such is done, land is put to its best economic use and society enjoys the resultant prosperity and full employment.

Within these broad, basic outlines, libertarianism and Georgism have no apparent inherent conflicts. It is when we get down to some specifics about just which rights we have that a basic difference between the views of some libertarians and those of the Georgists emerges. Many libertarians believe in absolute private ownership, including the ownership of land and natural resources. Let us call these the "privatist-orientated libertarians" or "privo-libertarians," to give them a name. Their view of the right to own land is simply "first come, first served." This is based on the "homesteading axiom" that a person has the absolute right to any previously unclaimed resource or land, and that it is his by transforming it by his labour, even if only to stake out a boundary.⁶ As a corollary, privo-libertarians are also opposed to any taxation, saying "all taxes are confiscatory,"⁷ since by their views taxation is necessarily coercive, and thus wrong.

Thus we seem to have two philosophies, both based on freedom and equality, but with this one significant difference that turns them into opposites. The privo-libertarians postulate the equal right to *claim* virgin land and then to own it exclusively, and the Georgists say that there is an equal right to the *use* of all lands, with only the exclusive right to the product of labour (and stored labour which is capital). How can a libertarian be consistent if he also advocates Georgism, in the face of the claims of the privo-libertarians?

To reconcile libertarianism to Georgism, we must return to the basic premises of libertarianism: that each individual has dominion over his own life, equal to that of others, and that the sole function of government is to secure the right of an individual to be free from the coercion of others.

We can see that the homesteading principle of the privo-libertarians does not derive from this basic premise, but is a separate, additional axiom. Thus one can be a libertarian without embracing it, and in fact there are several arguments that can be raised showing why this secondary axiom can contradict the original and basic libertarian premise.

The Georgist principle of the equal right to the use of natural resources is thoroughly compatible with the basic libertarian principle of self-ownership. Self-ownership means that one is entitled to the product of one's labour, but that does not necessarily give one any exclusive and eternal right to claim natural resources, which are gifts of nature not produced by man. What then are the rights to natural resources? One can rightfully occupy virgin territory, use it, and then leave it, but once one has left, there is no necessary reason why one should have a claim upon it. One could just as well, and with better logic, say that the resource then reverts to a state of nature, available for anyone's use. For someone to claim that a stretch of land is his just because he trekked through it is absurd and arbitrary.

Since the amount of land is fixed, once all the good land in a territory is claimed, its ownership gives the possessor a type of monopoly, a special privilege, whereas the libertarian creed of equality demands that there be no such privilege recognised by law. As George wrote, "the denial of the equal right to the use of land is necessarily the denial of the right of labour to its own produce."⁸ The equal right to the fruits of one's labour thus supports the Georgist notion of common ownership of land, with the user paying for its rent, which represents its monopoly value.

ANOTHER problem for the privo-libertarian is the question of land titles. They argue that if there are no rightful descendants of the original victims of a land takeover, then the current owners have a rightful title. This implies that if you murder the owner and his heirs, your title to their property becomes just — a rather revolting contradiction to the noble libertarian prohibition of force or fraud. Surely privo-libertarians would not object to paying rent to a landlord who owned an entire country? Thus there is no inherent libertarian objection to paying ground rent to an organization composed of all citizens, each with an equal share of the land, if they truly own the land.

But even going beyond these arguments, it can be demonstrated that even the most hard-core privo-libertarian must logically embrace some aspects of ground rent. Libertarians favour voluntary, especially private methods of providing civic services, rather than making them coercive state monopolies. But what is the best way to pay for these? If a community should decide, for example, to provide for its streets, sewers, and lights by private enterprise, an assessment according to the value of the land serviced could well be the fairest way to finance it.

Thus by studying Georgism, libertarians can learn the economically best ways of running the voluntary society of their dreams.

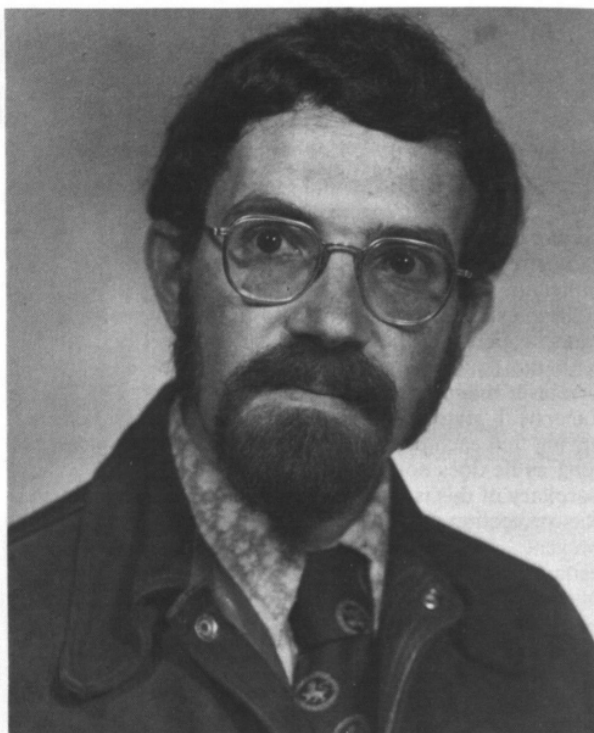
Furthermore, most libertarians would favour any step that promotes freedom and reduces taxation on labour and enterprise. The privo-libertarian must therefore logically favour the land value tax or ground rent as an *alternative* to the current tax nightmare, to taxes that are disincentives to labour and capital. A single tax on land would eliminate, if nothing else, the several bureaucracies devoted to the collection of income, sales, value added, and personal property (including housing) taxes, to say nothing of tariffs. The reduction of this overhead alone would reduce state spending and net taxes, and the removal of those tax burdens from businesses and individuals can only make the heart of any libertarian rejoice! Surely libertarians, priding themselves on their rationality, will welcome the land value tax (better termed ground rent) as the best of all taxes, if there must be a tax at all.

Libertarians advocate the financing of government services through user fees, such as a fee to collect the garbage. The ground rent is a user fee, a fee for the use of land!

How Geo-libertarianism would work

Libertarians include both advocates of anarchism and those favouring a strictly limited government.

The latter favour a decentralized government and would have the ground rent assessed and collected at the local level, such as by counties. The counties would send a portion of the ground rent to the next higher jurisdiction, such as a U.S. State, Canadian Province, or British region such as Scotland. It would in turn send a remaining portion of the funds to the national government, to be used mainly for military defence, foreign relations, and national courts. The funds sent by a county to the province, and then to the national government, would be allocated as a percentage of the ground rent. For example, the province



DURING the course of his research for this article, which compares libertarianism with Georgism, FRED FOLDVARY noted that the prefix "geo", as used in geography and geology, stemmed from the Greek word meaning earth, land, or ground. By a remarkable coincidence, these three letters form the beginning of the surname of Henry George – the apostle of man's right to the equal enjoyment of the world's natural resources. Foldvary thus concluded: "Georgist libertarians can call themselves "geo-libertarians," libertarians who recognize man's right to nature's *geography* and *geology*, and the validity of *Georgism!*" Fred Foldvary is the author of the recently published *The Soul of Liberty: The Universal Ethic of Freedom and Human Rights*, San Francisco: The Gutenberg Press (\$6.75).

Did Prof. R. V. Andelson (pictured right) "jettison" the core of Henry George's philosophy?



'Neo-Georgism violates natural rights and enhances state power'

— claims New York-based libertarian Mark Sullivan

Even though Professor Robert Andelson, in 'Neo-Georgism And The Quest For Justice' *Land & Liberty*, Nov-Dec. 1980) is anxious to separate the movement that has built up around Henry George's philosophy from anarchism and no-government libertarianism, he recognizes that Georgism and libertarianism have much in common. He lauds the current popularity of libertarianism, and holds out George's idea of the land-value tax as the best way to implement the libertarian concept of the minimal state. Andelson, however, argues against the terms "single taxer" and "Georgist" because he feels that the one does not express the full social philosophy and reform of Henry George, and that the other *does* imply agreement with all the reforms and analyses put forward by George(!).

He does, however, believe that "the fundamental core of George's thought remains ... intact," and that those who adhere to this core ought to call themselves Neo-Georgists. But by the end of his essay, Andelson has jettisoned not only positions not essential to George's "fundamental core" but the "fundamental core" itself. Further, while he correctly claims that Georgism is compatible with a consistent

libertarianism, his Neo-Georgism is, in the final analysis, a variant not of libertarianism but of statism, the doctrine that individuals and society exist to serve the state.

Professor Andelson correctly identifies the fundamental core of Georgism: "the labour theory of ownership, and the belief in natural rights which underlies it"; the corollaries that nature cannot be privately owned or held to collect private tribute for its use; and finally that rent is a social product belonging rightly to society (or equally to all its members). But Andelson, in his zeal to justify the "minimal" state, proceeds to violate these principles that he claims to hold so dear. And in the process, he loses what common ground Georgism shares with libertarianism (anti-statist capitalism) and with anarchism (anti-statist socialism).

As illustrations of my charge, we need only look at Andelson's antipathy to the terms "single taxer" and "untaxer". Neo-Georgists will not be single taxers, he tells us, because society and the minimal(?) state provide services which necessitate the collection of more (and other forms of) revenue that can be supplied via the single tax on land values (a non-graduated income tax as well as

might keep 20% of the value raised by a county, the nation 30%, with 50% retained by the county for local uses.

Locally, the funds would be limited to supporting the police, the courts, general administration, and a few other civic services. No funds in a libertarian government would be used to subsidize any business or private endeavour, nor to promote any "good works" such as space exploration or the arts, nor to interfere in any way with peaceful competition or personal lifestyles. The funds from the ground rent not used for essential government purposes would be returned to the people in each county on a per-capita basis.

Libertarians favour free choice in the use of even government services. Thus if individuals prefer to subscribe to a private garbage collection or fire protection, they would be free to do so under a libertarian government, and to transfer what would otherwise be paid to the government, that portion spent for the private services to the companies supplying them, up to the average expenditure by government for that service. This would apply to the schools as well, since libertarians agree that private schools should not be forced to compete unfairly with government schools.

CAN AN anarchist-libertarian also be a geo-libertarian? In principle, there is no reason why not. Albert J. Nock, author of *Our Enemy, The State*, supported the payment of ground rent to the community. In this case the community could own the land, like a corporation, and collect ground rent, dividing it equally among themselves. Those who refused to pay the rent would be treated as criminals, with protective agencies enforcing justice for the community. I will leave the details of how this would work with uniform justice to the anarchist-libertarians.

The Fulfilment of Libertarianism

Libertarians who favour limited government often stumble over the question of how to pay the military defense and other functions of even the minimal state. Some advocate the financing of government by voluntary contributions,

but the free-rider problem could keep the level of funding too low and cause widespread resentment against the non-payers. Geo-libertarians provide the solution to the problem of funding, while implementing a true equality of economic opportunity.

Libertarians recognize the need to extend property rights and thus rents to the rivers and seas in order to prevent their over-exploitation. Georgists recognize that the resultant rent should then be paid to society so that the benefits of these resources are not monopolized.

Geo-libertarians recognize that a tax on production is a blight on production, whereas a payment for the use of natural resources is a just compensation to humanity for the privilege of using part of our equal natural heritage. Moreover, the social inequalities arising from the private appropriation of ground rent can cause, and have caused, the destruction of the liberty libertarians cherish.

Georgism and libertarianism are true complements. Ground rents promote economic equality and provide funds for government, and libertarian principles tell us how to spend the funds properly to protect individual freedom.

The concepts of Georgism have been endorsed by such libertarians as Paine, Locke, J. S. Mill, A. J. Nock, Thomas Jefferson, and the early Spencer. As Albert J. Nock put it, libertarianism and Georgism "are, taken together, the complete formulation of the philosophy of human freedom."⁹

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2. Fred Foldvary, *The Soul of Liberty*, San Francisco: The Gutenberg Press, p. 49.
3. Statement of principles, *op. cit.*
4. John Hospers, *Libertarianism*, NY: Nash Publishing Corp., p. 21.
5. "Libertarianism," Libertarian Party Position Paper No. 1, prepared by R. A. Childs, Jr., Washington, DC.
6. Carl Watner, *Towards a Proprietary Theory of Justice*, pp. 7-8, citing the works of Rothbard and Spooner.
7. "Libertarianism" Position Paper No. 1, *op. cit.*
8. Henry George, *Progress and Poverty*, Book VII, Chapter 1.
9. Albert J. Nock, *Henry George*, NY: William Morrow & Co., p. 153.

use-fees for public services in his suggestion). And "untaxer" fails to distinguish Georgists from anarchists who "want to abolish even the minimal state." So, if Neo-Georgists are neither single taxers nor untaxers, they must be multiple taxers. And indeed they are, according to Professor Andelson.

The Neo-Georgists accept the legitimacy of the state's collection of taxes in addition to land values because of "the enormous costs of national defence." "To meet the expense of genuinely necessary public services, general levies to make up the difference are quite justified." Andelson further asserts that "times of desperate national emergency" justify "whatever measures were capable of raising the needed revenue most quickly and efficiently," as well as requiring millions to risk their lives for such defence. In other words, the survival of the collective and the expediency of the state can, with justification, violate "the labour theory of ownership, and the belief in natural rights which underlies it." Since the state defines all of its services as necessary, state expediency *always* supersedes natural rights in practice. Neo-Georgism differs from Georgism, the Single Tax, libertarianism and anarchism, in its will-

ingness to violate natural rights and individual liberty for the support and greater glory of the state.

Andelson not only justifies "emergency" powers of the authoritarian state, he also endorses the concept that the state embodies society and the people. He has the government, not the people of the given community, as the ultimate consumer of the funds collected from the land values and benefit-fees. And most of these funds will be consumed as national defence, i.e., for the enhancement of state power.

IN A WORLD snowballing toward the brink of world war and possible nuclear confrontation and annihilation, we would do well to question whether or not "national emergency" is a concept of any validity. Not only do "national emergencies" *always* increase state power and government spending, but, today, nuclear proliferation has created a state of planetary emergency. The very survival of all life including the human race is held hostage by the superpowers. By keeping their populations in fear of the communist, or capitalist, "conspiracy," the true conspiracy of the nation-state holds sway over our lives,

our land, and our wealth. Is anything more antithetical to the vision of Henry George? Can we believe that, were George alive today, he would defend an arms race that impoverishes us all while it endangers, instead of protects, our security?

I suggest that if the Georgist movement wants to remain relevant, it ought to question, not go along with, conventional "wisdom," especially the wisdom of a bloated defence budget. The Libertarian Party of the U.S. claims that \$50 billion (or one-third) can be cut from the defence budget and still leave the U.S. as well, if not better, defended as now. Has Prof. Andelson, who praises the libertarians, examined their argument? Unfortunately, we now have a climate of opinion that allows Pentagon generals to plan for a "first strike" against the U.S.S.R., and for the "winning" of a nuclear war. How do we expect the Soviets to react to this except by increasing their defences? There will be no Neo-Georgists left to defend the fraudulent expropriation of the people in the name of their defence.

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