

This publication has devoted significant space to explicating the ideas of georgism as they apply to the modern world. However, some confusions still exist about the essential nature of the georgist program. In order to provide additional clarity as to what georgism is, we find it imperative to correct several common errors, and state definitively what georgism is not.

Georgism Is Not Socialism

One common assertion (or objection) is that georgism is simply a form of socialism. Socialists themselves occasionally see georgists as fellow travelers, while those who identify as conservatives or libertarians are often confused and repulsed by the language of “common property” used by many georgists, associating it with the nationalization programs of ill-fated socialist regimes. This misconception has also been deepened by Henry George’s association with the United Labor Party in New York.

However, georgism is clearly distinct from socialism as it is commonly defined, that is, as worker ownership of the means of production. Instead, georgists elaborate on the classical liberal school of thought which argues that, because no one created the Earth, all have an equal right of access to it. That is, the bounties of nature are the inheritance of mankind in common, and that justice requires that the public be compensated when nature is occupied, used, or destroyed. Land, as a factor of production then, is not owned by workers, but by mankind in common. Additionally, in contrast to most socialist land-use regimes in which the state determines land use, georgists reject central planning. Instead, georgism proposes simply taxing the value of economic land while leaving private management intact, combining the benefits of market-based private land use with the common ownership of the benefits of the natural world.

While socialists are indeed principally known for their advocacy of socializing capital, georgism holds that returns on labor and capital, being created through human effort and ingenuity, rightfully belong to the laborer and the capitalist respectively. In fact, Georgists argue that taxation on

labor and capital should be done away with completely. It is not the institutions of wage labor and private property that create so much grinding poverty, but the current regime of land ownership (known in some circles as “royalism,” referring to its derivation from feudal terms of tenure). Royalist land ownership allows landlords to demand payment from laborers and business owners for access to something that the landlord did not create, and even takes a portion from technological improvements, economies of scale, and aggregation as these increase land values. Where the socialist sees a capitalist oppressing a laborer, the georgist looks beyond this dichotomy, and sees an entire society being suppressed by the vestiges of feudal ideas of land ownership.

Karl Marx, the authority on socialism if there ever was one, made his opinion of georgism very clear in a letter. Calling Henry George “utterly backward” and accusing him of possessing the “repulsive presumption and arrogance which is displayed by all panacea-mongers without exception.” In the same letter, Marx strikes at the heart of what separates georgism from socialism. Referring to thinkers intellectually similar to George, Marx remarks that “they leave wage labour and therefore capitalist production in existence and try to bamboozle themselves or the world into believing that if ground rent were transformed into a state tax all the evils of capitalist production would disappear of themselves.”

Marx is absolutely correct that under a georgist system, private ownership of capital would still exist. Georgists not only believe in private ownership of capital, but that the abolition of the private ownership of capital would be fundamentally unjust.

Georgism Is Not Capitalism

Another argument which is sometimes raised is that georgism is simply a modified form of capitalism. Marx himself reputedly called the Single Taxers “Capitalism’s last ditch.”

Exactly *what* capitalism is is a contentious argument, but most people agree that it is—at least in large part—the present economic system with private ownership of land, labor, and capital, administered by markets, and with varying degrees of state regulation and interference. Georgism,

however, is distinct in that it does not acknowledge a certain portion of economic returns to be licit as private property. Rents, whether those be from location, pollution, natural resources, or natural or artificial monopolies, are common property. The key commitment of georgism is to make those rents common property, and to eliminate monopolies where possible.

This maintains a market-based system with private ownership of labor and capital, but the resulting change in the economy is dramatic. No longer is it possible to profit merely by extraction of rent or the imposition of externalities on others; only productive contribution to the economy by work or investment provides returns. Additionally, the removal of the rent-burden from the economy dramatically changes the experience of economic life for workers. The elimination of taxes on labor and capital would save the median taxpayer thousands of dollars a year, while spurring economic growth and opening a new frontier of land for easy acquisition. Because economic rents are one of the primary drivers of economic inequality (as the rich are able to capture natural opportunities and take advantage of regulatory barriers and special state privileges), a Georgist society would be both more dynamic and more equal than the present.

Georgism thus stands between socialism and capitalism in a three-factor model of the economy. Capitalism maintains land, labor, and capital privately owned and managed. Under socialism, land and capital are collectively owned, while labor (usually) remains worker property. Under georgism, labor and capital are privately owned, while land is privately managed but the rents are common property.

Georgism is Not Just a Land Value Tax

Henry George's signature proposal for economic reform, the land value tax, has in many ways come to be synonymous with georgism. The original members of the georgist movement are partially responsible for propagating this error by calling themselves "Single Taxers," implying that the single tax—the LVT—was the whole of their political program. But georgism extends beyond a mere tax proposal. It is also a school of thought which analyzes economic systems from the lens of land and land

rents. It is a property ethic, which treads a middle ground between Locke and Proudhon. It is an understanding of the proper relationship of the individual and society, what has sometimes been termed 'cooperative individualism.' A georgist society is not merely a society with a different tax structure, but a society with an entirely different political-economic basis. It is a society in which the common right of mankind to the universe and its natural materials, forces, and opportunities is recognized, a society in which economic success can be achieved only by positive contribution to the community, a society where it is no longer possible to extract wealth from others through the monopolization of nature's gifts, abuse of the commons, or favors bestowed by government.

Even classical georgist policies extended beyond the original single tax, and included free trade and opposition to monopolies and many forms of regulation. Georgist mayors such as Tom Johnson and Hazen Pingree pioneered election reforms, improvements in city government, and the municipalization of public services and utilities (which are natural monopolies). Modern georgists have much to say on problems as diverse as creating a sustainable green economy, reforming patents and copyrights, dealing with the legacies of colonialism, YIMBYism and the housing crisis, and natural resource management and sovereign wealth funds.

Reducing georgism to simply land value taxation provides only an impoverished glimpse at the broad vistas of georgist thought and ambition—a mistake georgists have often committed themselves.

Georgism Is Not a Panacea

Likely as a result of the previously mentioned tendency of georgists to sell their political program as a kind of "one neat trick to fix the economy," georgism has sometimes been criticized as "panacea-mongering." However, it is simply false that modern georgists, or even George himself, expect there to be a simple solution—LVT or otherwise—to every social and economic problem.

William Lloyd Garrison II, son of the famed abolitionist, once wrote George with this exact criticism—that while he saw the utility in the single tax, he

did not believe it was a panacea. George's response was "Nor do I believe it a panacea, but freedom is." George, a classical liberal, believed that land value taxation (and free trade, and other associated policies) were necessary steps to establishing a free and equal society, a better society, but by no means all that is necessary to establish a just society. A truly just society, George argued, requires more than economic reforms, it requires a more virtuous people as well.

More is given to us than to any people at any time before; and, therefore, more is required of us. We have made, and still are making, enormous advances on material lines. It is necessary that we commensurately advance on moral lines. Civilization, as it progresses, requires a higher conscience, a keener sense of justice, a warmer brotherhood, a wider, loftier, truer public spirit. Failing these, civilization must pass into destruction.

-Henry George

Modern georgists come from many political backgrounds and have a variety of other moral and political commitments. All are agreed, with George, that economic reforms are *necessary* for a just society. But neither the implementation of land value taxation alone nor a full georgist economic program is *sufficient* to solve the various practical problems of the human condition, to the extent that they can ultimately be solved at all.

Georgism is Not Just Henry George

Finally, and perhaps most importantly, georgism (burdened with an unfortunate name) has often given the impression that it consists solely of the ideas of Henry George. It is true that the name of the ideology comes from Henry George due to his importance as a synthesizer of the modern georgist program and its foremost political proponent. Georgists often cite his works due to their key position within the history of the movement and its ideas, as well as their beautiful prose and their track record of making an impact on important figures. For example, Albert Einstein said of George's writing that "one cannot imagine a more beautiful combination of intellectual keenness, artistic form and fervent love of justice."

However, it is also important to recognize that Henry George was not the first, or the last, to advocate for land value taxation, free trade, and their necessity for justice and a free society. All of these ideas, in fact, have been stewarded by a long tradition of philosophers, politicians, economists, reformers, and revolutionaries. George grew out of an Anglo-American tradition of land reform, from Thomas Spence in England, who advocated for the transformation of aristocratic land tenure into common ownership, to Thomas Paine, whose *Agrarian Justice* speaks of land as being “the common property of the human race” and advocates that “every proprietor, therefore, of cultivated land, owes to the community a groundrent ... for the land which he holds.” He drew on the works of Adam Smith, who himself was indebted to the French Physiocrats for recognizing that land rents represented a peculiar form of economic return which could be taxed without reducing productivity.

The tradition George represented has changed much since his death. Modern Georgist economists such as Mason Gaffney and Harold Hotelling have expanded and corrected his economic analyses. Philosophers like Frank Chodorov and Albert Jay Nock incorporated his ideas into their works on politics. As new technologies develop and new political concerns arise, Georgists turn their attention to applying and extending georgist principles to meet the challenges of the day, as is necessary for any meaningful and relevant program of political economy.

George, then, is emblematic, serving as a figurehead for georgism. But he is certainly not its limit, or even its originator. It would likely have been good if a different name had attached itself to the ideas and political program he proposed, but, as it did not, georgists (and their partners in conversation) must simply be conscious that georgism greatly exceeds the man himself.