

Neo-Georgism

BY ROBERT V. ANDELSON

I

Had Henry George created a system capable of withstanding in all its details a century of criticism, he would have been *sui generis* among social scientists and philosophers alike—not a mortal theorist but a veritable god. To recognize that some of his ideas are flawed does not destroy his stature as a thinker of the first magnitude whose economic methodology was, in fact, far more informed and sophisticated than is generally appreciated, and whose prescription for reform contains basic features that have enduring relevance.

Possibly he misconceived the problem, and was mistaken in assuming that, absent his prescription, poverty necessarily increases with industrial advance.* At least, so it might appear. Yet when we look behind appearances, we may discover that the expedients whereby this grim outcome has been forestalled give rise to ultimate consequences still more grim, consequences now presaged by rampant inflation and ever-mounting public debt. We may discover, in other words, that we have been living in a fool's paradise, that George was a better prophet than we realized, and that welfare spending, monetary tinkering, and union pressure have purchased temporary respite from the process he descried at the eventual price of a total and possibly irreversible collapse. This is, of course, a long-run augury; those who live only for the immediate present will dismiss it with Lord Keynes's flippant quip that "in the long run we are all dead."

Which is not to say that George's "all-devouring rent thesis" (to use Professor Cord's apt phrase) should be accepted unreservedly. Present-day statistical evidence has rendered it so dubious that even George's most assiduous academic proponent, Harry Gunnison Brown, was obliged to lay it aside.

One may nevertheless contend that land rent is a highly important economic factor and that George performed a real service in calling attention to this

*The reader should bear in mind that this assumption had to do with the *proportion* received by labor as its share of the product. In certain of his less flamboyant passages, George was careful to disclaim the notion that wages are universally diminished as an absolute quantity by industrial progress. (*Progress and Poverty*, 75th anniversary ed. [New York: Robert Schalkenbach Foundation, 1954], pp. 216, 233 f.) Because of his many paragraphs that fail to specify the distinction between proportion and amount, this disclaimer is apt to be overlooked.

truth, however extreme his inferences from it may have been. In 1948 the National Bureau of Economic Research estimated that land represented seventeen percent—in itself no mean amount—of the total wealth of the United States; since that time, a tremendous inflation (far exceeding that of general prices) has occurred in land values.* Commenting upon the N.B.E.R. report, Robert Clancy, then director of the Henry George School of Social Science, objected that it underestimated the value of commercial sites, vacant lots, and government-owned lands. He also pointed out that the report omitted all sub-soil assets from the land inventory, neglected to include the land rent collected by local real estate taxes, and failed to take into consideration the notorious fact that corporations normally undervalue the land they own, and, indeed, seldom list it separately in their accounting procedures. Furthermore, urban rent controls, still significant at the time of the report but no longer in widespread operation, artificially held down land values. Clancy also noted that farm land values for 1952 were reliably placed at \$70 billion by the Bureau of Agricultural Economics, a figure almost half that of the N.B.E.R. total of \$157 billion. Since the value of urban is vastly greater than that of rural land per acre, he adduced this as added evidence that the N.B.E.R. total was much too low.¹ All of this strongly suggests that the role of land rent in the United States, even if overemphasized by George, is yet far from inconsiderable, and that in most other countries (where land monopoly is more acute) it must be still greater by no small degree.

For the most part, George's errors are, as in the case of his all-devouring rent thesis, errors merely of exaggeration. For example, descanting upon the growth of morality to be anticipated from the adoption of his proposal, he is not content merely to predict a marked diminution in crime and vice which stem from the brutalizing effects of poverty, but pictures a veritable Peaceable Kingdom in which greed has virtually disappeared along with the need for judges, police, and lawyers, and in which liberated human energies are spurred by pure and noble promptings to ever more exalted heights of creativity.² Alas! There is in human nature an intractable perverseness, which George's evangelical parents called "Original Sin" and which no social rearrangement can dispel. Material security and equality of opportunity, however desirable, will not usher in a moral paradise. Well-fed, well-housed, well-educated Sweden, with its disturbing incidence of alcoholism, suicide, and juvenile delinquency, may be cited as a case in point.

In keeping with the classical tradition, George insisted upon interpreting land rent as a monopoly price. For this he has been reproved by various critics from Marshall to Oser, who correctly observe (in Hébert's paraphrase) that "as long as land has alternative uses and many owners it comes to be supplied under conditions approaching competition." Again, however, George's error was essentially one merely of exaggeration. In the first place, landownership in much of the world, including many parts of the United States (e.g., Orange County, California, where the Irvine Estate holds approximately twenty percent of the land, and is a major factor in keeping up prices in the small areas it

*From 1950 to 1970 residential land prices in the United States rose 400-500 percent, while general prices increased only 60 percent. See Sylvan Kamm, "Inflation: Curbing Inflation in Residential Land Prices," *Urban Land*, 30, no. 8 (September 1971), p. 3.

develops and sells), is sufficiently concentrated that monopoly, or, at any rate, oligopoly, actually does obtain. In the second place, the fact that the supply of land is inelastic as respects location means that even where landownership is diffuse, land rent still involves a *monopolistic element* not characteristic of the price of capital goods (except for such economically insignificant items as antiques and works by famous artists). For although land may have alternative uses, and in that regard not be perfectly inelastic as to supply, its inherent inelasticity of location gives the owner a built-in advantage.

It is not the intention to suggest that the buyer or renter of land space has no alternative. He may use a smaller piece of land more intensively instead of a larger piece less intensively. Thus, he may put a twenty-story building on a small area instead of putting a ten-story building on a larger area. He may choose a poorer site instead of a better one. But the buyer or renter of capital has alternatives of these kinds and has *in addition* the alternative of becoming himself a producer of the sort of capital wanted.³

On this account, and for other reasons more ethical than economic, I am satisfied that there is a broad sense in which it is legitimate to speak of land rent as a monopoly price, even though, from a narrow, technical standpoint the phrase may be inaccurate.

It could, in addition, be charged that George exaggerated the revenue-generating adequacy of his proposal. But this would hardly be fair. Wilford I. King demonstrated that the land-rent fund would have been large enough before the Civil War to pay for all government expenses nearly twice over, and that it continued to be at least sufficient until 1915;⁴ Steven Cord thinks that it could probably have been adequate until the 1930s.⁵ During George's lifetime there would doubtless have been an ample surplus available for communal amenities or for distribution on a per capita basis, especially when one considers the savings to be looked for from his reform in reduced need for public assistance and government bureaucracy. This is one reason why his expectation that his remedy would "extirpate" involuntary poverty should be regarded as only mildly extravagant. Other reasons are, of course, the stimulus to productivity and the tendency toward equalization of opportunity that his reform might reasonably be anticipated—on the basis of both theoretical deduction and partial experiment—to engender. While the demands of national security make it today utopian to suppose that land rent could meet the total revenue requirements of government, let alone beget a surplus, its appropriation in taxes would substantially lessen the necessity for revenue from other sources, and would materially help to ameliorate involuntary poverty even if it did not wholly justify George's faith by extirpating it.

Closely related to the inadequacy argument is the objection that a single tax on land values (or on anything else if the full amount were taken) would be inflexible, incapable of adjusting to changing conditions. But Collier points out that this objection is valid only with respect to the *percentage* of the tax rate. The *amount* of the yield would vary in response to the business cycle.⁶ Collier's rejoinder would not be employed by a strict Georgist, for George held that under the single tax the primary cause of the business cycle would be dispelled. Instead, the strict disciple would rely upon the claim, cited by Geiger,⁷ that in a

fundamental sense a sole tax on land is highly flexible since it correlates directly with the progress and demands of any taxpaying and tax-requiring community—a point made by George in *Progress and Poverty*⁸ and more particularly in his *Open Letter to Pope Leo XIII*⁹ and in “Thy Kingdom Come,” his Glasgow speech of 1889.¹⁰ Whether it would be *sufficient* to satisfy extraordinary demands such as those of national defense in today’s nuclear world, is of course, quite another story.

The inflexibility, such as it is, of a sole land-value tax, has been accounted a merit by some Georgists (and even some non-Georgists¹¹), as constituting a check upon the aggrandizement of government. Private individuals are expected to live within their proper means; why should not governments do the same? When George envisaged public baths, dancing halls, shooting galleries, and the like,¹² he was merely speculating as to ways in which a surplus rightfully belonging to the public might be spent, not advocating that such indulgences be funded through coercive exaction. Although present conditions make the question of the use of a surplus academic, per capita apportionment in the form of dividends to be used according to private choice would seem to be more consonant with his essential individualism.

Collier asserts that the benefits from a single tax on land values could be only temporary, since with the rise of population, settlement would extend to (and probably beyond) the point that had been the margin of production prior to the adoption of the tax. “Quite simply, the remedy would work once and only once in any society because it relied in a special way on ending speculation in land. That speculation can be ended once and only once.”¹³ Granting continuous population growth (or growth in productive activity and hence land use), his point about the extension of the margin is well taken, and is one that George, to my knowledge, did not anticipate. But his analysis disregards three important considerations: To begin with, there is nothing inevitable about population increase; the population of France has been stable ever since the Great Revolution, long before the advent of modern birth control techniques. Second, given the population increase assumed by Collier (or enhanced productive exploitation), the margin would have been pushed *much further* downward and outward were it not for the halting by the tax of speculation. Third, in a Georgist economy the extension of the margin is likely to be postponed by the reduction, stemming from heightened productive efficiency, of the actual acreage used. Finally, Collier overlooks a formidable advantage that would continue to accrue regardless of the location of the margin—namely, the diversion of land rent to the public with the accompanying lifting of the burden of taxation from wages and interest.

George’s arguments on the population question suffer from such excesses as his astonishing assertion that “the earth could maintain a thousand billions of people as easily as a thousand millions¹⁴—a conceit that stems from his refusal in *Progress and Poverty* to apply the law of diminishing returns to the employment of labor and capital on land.* Also, his inveterate environmentalism kept

*In the *Science of Political Economy*, his treatment of this matter is unclear. There, instead of refusing to apply the law of diminishing returns to agriculture and the extractive industries, he criticizes Mill and others for their failure to extend it to all modes of production, evidently thinking that he has thus weakened rather than strengthened the Malthusian position (bk. 3, chap. 4). Had he lived to complete the book, he might have revised and clarified his treatment.

him from perceiving that even if increased numbers should, as he maintained, enhance productivity infinitely, there still might be a population problem of a genetically qualitative nature. (It is worthy of remark that Brown, the academic champion of George, was also a professed Malthusian.¹⁵) Genetically qualitative considerations aside, however, George's inordinate optimism with respect to population seems no more unwarranted than do the dire predictions of the latter-day disciples of Malthus. In our preoccupation with such horror-spots as Bangladesh, we tend to overlook the facts that Taiwan, with a population density matching that of Holland, has a net export of food, and that one hydroponic acre in Arizona produces 240,000 pounds of tomatoes annually. (This should not, of course, be taken as an argument against family planning or the conservation of natural resources.)

George has sometimes been faulted for inconsistency in relying on Ricardian rent theory while rejecting Malthusian population theory. That Malthusianism was assumed by Ricardo is a historical fact, and George accepts his view that rents are raised by "the increasing pressure of population which compels a resort to inferior points of production."¹⁶ But he claims that this view really gives no countenance to Malthusianism, and has been enlisted in its support only because of the misapprehension "that the recourse to lower points of production involves a smaller aggregate produce in proportion to the labor expended."¹⁷ And he holds that rent is also raised by other causes—the technological and social improvements that increase productive power. Now, his treatment of Malthusianism suffers (as I have already remarked) from his refusal to apply the law of diminishing returns to the division of labor. And his all-devouring rent thesis is weakened by his failure to adequately recognize that technological and social improvements are reflected in cheaper and better goods and hence in higher real wages. Yet, however unsatisfactory his analysis in these respects, he stands absolved of the charge of inconsistency to which I have alluded, for the pressure of population upon resources is not only offset, as he sees it, by the greater yield per person made possible by greater population, but is, in any case, merely one (and perhaps to him the least important) element in his version of the law of rent. Moreover, as Teilhac observes, "while George shows... that social evil is only the consequence of economic progress, contrary to Ricardo, he demonstrates that it is, nevertheless, only the artificial consequence of a natural law."¹⁸ In other words, for George, unlike Ricardo, the law of rent *need not* culminate in an "iron law of wages"; poverty is not attributable to inexorable forces built into the order of nature, but to corrigible features of human economic arrangements.

At least two of the contributors to this volume agree with certain of George's critics that landowners and speculators (even when they are not themselves developers) sometimes perform entrepreneurial services that give them a legitimate, if perhaps qualified, claim on land values. George doubtless failed to recognize that part of the rise in land prices may at times reflect owners' constructive allocation efforts. (In terms of his classificatory system, that part would fall under wages rather than under rent.) Against this, however, must be placed the fact that constructive allocation has (to put it conservatively) not infrequently been thwarted by withholding on the part of owners. At any rate, by permitting owners to retain a percentage of the value of their land large enough to induce them to retain title even when not

developers or users, George's plan would provide a market premium for entrepreneurship, since the size of the owner's "brokerage fee" would depend upon his success in finding the most profitable use for his site. But even if all private titles were to be extinguished, I see no reason why there should be any diminution of incentive for skillful allocation, or why decisions as to allocation need become other than a private function (except perhaps where dictated by ecological or other public considerations). Not ownership but security of tenure is the decisive factor in encouraging optimum use—witness the phenomenon that so much intensive development occurs on leased land. The entrepreneur would have the same incentive as at present to find the most appropriate locations for development and use, but would simply lease them from the public rather than from a private owner.

One may freely grant that George omitted to give sufficient weight to the subjective element in value—a consequence of his failure to appreciate the considerable contributions of the Austrian school of economic theory. Also, one may recognize that government intervention in the marketplace, particularly federal manipulation of the supply of money and credit, has created aberrations and distortions not addressed by his analysis. His assumption that characteristically land held for speculation is kept absolutely idle is scarcely tenable. And it is patent that, for all its seductive neatness, his idea that wages and interest rise and fall in unison is not supported by the empirical data, although the situation might be different if the figures available represented only *real* wages instead of including transfer payments, and only *real* interest instead of including various extraneous elements that tend to be lumped with it. As for the "reproductive modes" aspect of George's theory of interest, it has been accepted only by his most doctrinaire followers. I confess that for me the concept holds a certain fascination, providing, as it does, an almost metaphysical basis for an explanation of why abstinence brings return, and I know of at least one person who was weaned away by it from Marxism because he considered that it definitively undercuts the theory of surplus value. Collier shows that some of the attacks upon it are invalid;¹⁹ whether the reproductive-modes concept is itself invalid is of little moment here, since it is in no sense vital to George's system. James Haldane Smith, in fact, argues that it actually contradicts the remainder of the system²⁰—a view that I believe could be refuted if doing so were worth the effort. In any case, a powerful justification of interest, wholly independent of that concept, may be readily inferred from George's general theory of capital.

The doctrines of natural law and natural rights undergird the entire framework of George's thought. There was a time when they were, in sophisticated circles, supposed to be hopelessly outmoded; more recently, they have undergone something of a revival.²¹ These doctrines are not subject to empirical proof or disproof, since they are, in the last analysis, metaphysical, or at least axiological. The present writer, who subscribes to them wholeheartedly (without, however, regarding them as self-evident or self-contained), believes that they lend inestimable strength to George's teaching. Still, there have been those who, like Thomas Shearman, have embraced George's proposal solely on fiscal grounds; and those who, like George R. Geiger, have endorsed all the main elements of his system while recasting his view of natural rights in terms of John Dewey's instrumentalism. I am

persuaded that the system, in its economic essentials, can stand without the doctrines of natural law and natural rights. I am equally persuaded that, for those who can accept them, they not only give it added logical support but also provide a motive, not otherwise entirely intelligible, for personal commitment to its furtherance.

On the tactical ingenuousness of certain of George's terminological idiosyncrasies we need not dwell. "We must make land common property"²² has hung from the beginning like a millstone around the neck of the movement he created, notwithstanding that even as he used the phrase he took pains to explain that by "common property" he meant something very different from what it is ordinarily understood to mean. Similarly, "association in equality"²³ is a locution not altogether felicitous: it conjures up images of Dostoevski's "unanimous and harmonious ant-heap," which are dispelled only if one happens to note George's passing statement that he is using equality as a synonym for freedom.²⁴ And libertarians, reading his allusion to "the noble dreams of socialism,"²⁵ will deem the reference offensive unless they apprehend that in this context the word *socialism* signifies, not leveling collectivism but merely a cooperative order devoid of privilege.

II

The modern friend of George's thought who views the "Prophet of San Francisco" as a profound and perceptive guide rather than as an infallible oracle, will find the majestic symmetry of his system vitiated somewhat by the qualifications and adjustments dictated by candid analysis in the light of changed circumstances and refinements in economic methodology. "Neo-Georgism" will be less satisfying than the original article from an aesthetic standpoint. But aesthetic satisfaction must yield to intellectual honesty, and the basic truth of George's central thrust remains, in any event, intact.

What is that central thrust? It is the insight that natural opportunity should be open on the same terms to all, and socially created values socially appropriated, while the fruits of private effort should be left inviolate to their producers or to the designees thereof. Here we find the authentic verities respectively inherent in socialism and individualism organically combined without detriment to the integrity of either. Here we see, not a confusing welter of compromises and half-measures, but a clear and logical relationship in which each pole is balanced and complemented by the other.

Fundamental to the application of this thrust is the idea that public fiscal burdens be distributed according to the criterion of benefits received from society. This idea has long been out of vogue, having been supplanted by the now-dominant position that taxes should be levied on the basis of ability to pay. In less polite words, they should "soak the rich." The ostensible justification for this position is that ability to pay is a gauge of equal sacrifice. Yet it is by no means clear why persons who do not make equal demands upon society should, in fairness, be expected to make equal sacrifices in its support. Furthermore, specialists in public revenue theory are not agreed as to what is really meant by equal sacrifice, or that it is actually best measured by progressive rates determined by ability to pay.²⁶ A free market can measure the marginal utility of relative satisfactions and therefore sacrifices as among its participants, but since taxes, being compulsory, do not reflect a market

situation, it is difficult to see how they can be apportioned in terms of equal sacrifice. In view of these complications, some thinkers would assess the desirability of a tax system solely in terms of the system's efficacy in meeting broad social needs, without reference to its relative burden upon individual taxpayers except as that burden may have public consequences. (It was, in fact, upon just such grounds that Carver endorsed land-value taxation.) But social utility is, unless balanced by other considerations, a dangerous criterion for a tax or any other kind of compulsory system. Everything depends upon who defines society's needs, and the rights of the individual are all too likely to be swallowed by Leviathan.

The best surety for the protection of these rights, so far as the question of public revenue is concerned, is the restoration of the benefit principle. (Taxes based upon this principle are, technically speaking, not true taxes at all, but rather public fees; thus the term *single tax* is really a misnomer, and the proposal of Henry George has sometimes been spoken of by its adherents as a program for the abolition of taxation. George, however, reluctantly called it a tax as a concession to popular usage,²⁷ and I follow him in this.) Since the privilege of exclusive use and disposition of a site is a benefit received by the owner at the expense of the rest of society, the Neo-Georgist, like the Georgist, will insist that it be paid for in full, as measured by the value of the site. But he will not be a single-taxer, except in the sense of maintaining that (apart from genuine emergencies, such as war) payment for benefits should be the single criterion for taxation. Recognizing that, of all special benefits, land ownership is by far the most important, he will accord the land-value tax (which further commends itself because of its nonshiftability and benign effect upon production) premier place in his table of priorities.* Second place will go to use taxes, of which the gasoline tax (assuming it be spent on highways or related functions) is a salient example. If taxes for special benefits prove insufficient to meet the cost of necessary services of a general nature, the Neo-Georgist will admit the legitimacy of general levies to take up the slack. But he will insist that the services in question be truly necessary and truly general (e.g., police and fire protection, national defense, the control of communicable disease, etc.). And he will demand that the obligation for their support be divided in terms of a formula that involves at least some approach to objectively equal payment—possibly a nongraduated percentage of incomes. Finally, he will concede that really desperate exigencies, where the very survival of the community is at stake (and where, for instance, as Brown reminds us, millions of men might be “required to risk their lives at the fighting front”²⁸) may temporarily justify whatever measures are capable of quickly raising the needed revenues, regardless of whether the burden be distributed with the same equity that normal conditions would enjoy.**

*Where, in the case of certain exhaustible natural resources, conservation is a prime desideratum, the benefit principle could be implemented through a severance tax in lieu of at least part of the land-value tax.

**A libertarian refinement of the program described above might be to distribute the revenue from land rent on a per capita basis, giving each individual the option of using his share to purchase domestic public services, or of doing without them. As a practical matter, this option could not very well extend to the support of national defense, since there would be no way of denying defense against foreign aggression to freeloaders. But the rent fund would not, in any event, suffice to support national defense in addition to legitimate domestic public services in today's world.

To recapitulate, the Neo-Georgist will neither claim that land value taxation should always be the sole source of public revenue, on the one hand, nor see it, like the Fabians on the other, as merely a highly desirable source to be employed as one tax among many without discrimination as to their ranking. He will have a definite order of priorities, governed by the regulating principle of benefit, which commands reliance, first, upon payment for special benefits by their recipients (the preference within this category being given to payments that cannot be shifted and that do not deter production); and second, upon general payments for general benefits,²⁹ with payments not geared to benefits exacted only as a temporary last resort in extraordinary crises. He will advocate the restriction of government spending to necessary protective functions apart from the first category, and also within the first subdivision of that category except for the hypothetical eventuality of a surplus.

Like George, and in contrast to the "single tax limited" of Shearman and Charles B. Fillebrown, Neo-Georgism will stand for the public appropriation of the *full* land rent, less a percentage just large enough to induce owners to retain private title. It will do so not only on the ground of public right, but also because legitimate government expenditure today would leave no excess in the land-rent fund, as might have been the case in Shearman's day. Yet, unlike George, it could accede to a policy of providing some form of temporary and limited compensation where the full public appropriation would cause extreme hardship to the owner; not, however, as a matter of justice but simply as a pragmatic gesture to smooth the way of implementation. Better, as Brown remarks, that special provision be made for the ubiquitous landowning "widows and orphans" whose anticipated distressful state has been made the basis for opposition to reform, than that a bad system be retained forever.³⁰

III

Within less than two years of its publication by a commercial press, *Progress and Poverty* was a runaway best-seller, and its author's name, an international household word. By contrast, the only volume of *Das Kapital* that appeared in Marx's lifetime was scarcely noticed; just before he died Marx took pathetic pleasure when recognition of a sort came to him in the form of a biographical sketch in the British journal *Modern Thought*, probably arranged by Dr. Edward Aveling, his youngest daughter's paramour.³¹ In Russia, especially, George's ideas had quickened the thought of social students and reformers long before those of his earlier contemporary gained any appreciable following.³² Yet today George is relatively forgotten, while half the world calls itself Marxist.

Does this indicate that Marxism has proved itself a viable system, and that the thought of George is nothing but a burned-out meteor that once briefly lit the sky of social protest and reform? Scarcely. Marxism has not, in point of fact, demonstrated its viability as a system. It is rife with ambiguities and contradictions, both philosophical and economic.³³ (Indeed, vol. 3 of *Das Kapital* contains passages that suggest that, in the end, Marx had arrived at certain conclusions less in keeping with his better-known views than with the views of George.³⁴) Where free scholarship prevails, Marxism has few orthodox adherents among reputable savants; where it is the official line, the various Communist blocs and factions are bitterly divided as to what

constitutes its orthodox expression; while to the extent that it may be said to have been implemented with any degree of material success, its toll in human life and freedom has been so great as to render it utterly unacceptable to all but the most morally callous. For the effectiveness of Marxism lies neither in its cogency as an intellectual system nor in its utility as a constructive program; it lies rather in its propaganda value as a revolutionary myth—a myth with spurious but well-advertised pretensions to scientific authority and historical inevitability. It is these pretensions, providing as they do both an aureole of seeming dignity and a promise of triumph to the aspirations of the “have-nots,” that give Marxism its potent appeal to the mass mind and cause it to be embraced, at least in name, by so many of the power-seekers who pose as saviors to the “wretched of the earth.” Young accounts most perceptively for the way in which socialism has outstripped Georgism in prominence and numerical growth:

A chief reason is that the former lends itself better to agitation. The socialist protest is more simple, being directed against the great inequalities in the distribution of wealth. But the single tax is a step more complex, since it undertakes to introduce a theoretical distinction between kinds of wealth, a distinction not readily grasped by the man on the street, to whom socialism makes a stronger appeal. A protest against the mere magnitude and economic power of individual wealth is simpler, and to the average mind appears more logical, than a protest directed against ownership of one form of wealth, and that not necessarily in the hands of the economically strong. The average man notices rather the amount of swollen fortunes than the kind of goods in which they happen at the moment to be invested.³⁵

The image of Marx as “erudite doctor” has helped to buttress the scientific pretensions of his gospel. Actually, it may be doubted that, apart from his being multilingual (a faculty not uncommon among Europeans), his erudition was much superior to that of George. Most of his student years were spent in coffee houses rather than in lecture halls, and when he finally took his degree it was what we would call a “cheap” doctorate, from a university where he had never been in residence and that did not require its external students to undergo prolonged examination.³⁶ He had no formal training whatever in economics. Like George, he was fundamentally self-educated, a compulsive and omnivorous reader. Despite his pose of scholarly detachment, his approach was anything but detached: “All philosophies have sought to explain the world; the point, however, is to change it.”³⁷ Insofar as he worked at all for a living instead of sponging on creditors and friends, Marx was, like George, a journalist, not an academician. Yet even among those who do not count themselves his disciples, he bears the reputation of a learned sage, while George is thought of as a talented but brash amateur.

I have depicted Marxism as a pseudo-science articulating a rationale for the crude *ressentiment* dumbly felt by the desperate multitudes, and holding out to them a messianic hope. No matter that it has everywhere turned out to be a false guide to history and a miserable failure in practice! It still exerts a powerful attraction, especially to the jobless intellectuals and semiliterate subalterns of the underdeveloped nations, who see it as the wave of the future

and who fancy themselves the destined elite of a coming proletarian dictatorship.

Against it, the *mélange* of civil liberties and monopoly privileges miscalled capitalism can make no political headway in an increasingly populist age. As for the "pragmatic" economic mixtures that prevail in such places as Britain, they have succeeded merely in pricing their goods out of the world market and creating an exodus of brains and purchasing power. Only capitalism can provide the incentives imperative to keep production capable of satisfying needs. But only a *purified* capitalism in which the distribution of the product reflects unmonopolized natural opportunity, can commend itself to the disaffected millions upon whose allegiance the course of history could very well depend. Perhaps, as the lessons of experience become too obvious to ignore, these disaffected ones will apprehend that indiscriminate dispossession of the propertied is no real solution to social problems. Then the long-neglected doctrine of Henry George, pruned of questionable but inessential details and supplemented by fresh understandings and techniques, may come into its own.

Yet it is not only to emerging masses that George has something of profound significance to say. Exasperation with the arrogance of bureaucratic meddling, disillusionment with the bankruptcy of centralized planning, and disgust with the savagery of statist repression—all have engendered in the Western world a wholesome recrudescence of libertarian scholarship and propaganda. Who could have imagined, three decades ago, a Nozick at Harvard,* or the widespread vogue of Randian and Rothbardian teachings on college and university campuses? After so long a period of conformity to the interventionist establishment in academe, these are heartening signs indeed! The nonanarchist libertarian, however, needs to consider that even a minimal state must somehow be supported.** Shall it be supported by coercive imposts upon private earnings? Or shall it be supported, at least as far as possible, by a fund created by society itself, a fund that, if not taken for the common use, operates as a crippling gyve upon labor and capital alike?

*Nozick's acceptance of the "Lockean Proviso" commits him to the moral premises from which George developed his system. (See Robert Nozick, *Anarchy, State, and Utopia* [New York: Basic Books, 1974], pp. 174-82.) Doubtless increasing familiarity with George will in time move Nozick to acknowledge their affinity.

**Professor Milton Friedman, 1976 Nobel Prize winner in economics, and noted proponent of the free market, stated in response to a question at a recent anniversary banquet of the Americanism Educational League: "In my opinion the least bad tax is the property tax on the unimproved value of land, the Henry George argument of many, many years ago." Reported in *Human Events*, November 18, 1978, p. 14.

Notes

1. Clancy's comments are contained in the June 1952 Faculty Letter of the Henry George School, and in the *Henry George News* of July 1952, p. 7. A fuller summary of them than the one given here may be found in Steven B. Cord, *Henry George: Dreamer or Realist?* (Philadelphia: University of Pennsylvania Press, 1965), pp. 191-95.
2. Henry George, *Progress and Poverty*, 75th anniversary ed. (New York: Robert Schalkenbach Foundation, 1954), p. 456.
3. Harry Gunnison Brown, *Economic Science and the Common Welfare*, 6th ed. (Columbia, Mo.: Lucas Bros., 1936), p. 246 n.
4. Wilford I. King, *The Wealth and Income of the People of the United States* (New York: Macmillan, 1915), pp. 160-62.
5. Cord, *Henry George*, p. 234.
6. Charles F. Collier, "Henry George's System of Economics: Analysis and Criticism," Ph.D. dissertation, Duke University, 1976, p. 220.
7. George Raymond Geiger, *The Philosophy of Henry George* (New York: Macmillan, 1933), p. 157, n. 90.
8. George, *Progress and Poverty*, p. 456.
9. Henry George, "The Condition of Labor: An Open Letter to Pope Leo XIII," in *The Land Question [and Other Essays]* (New York: Robert Schalkenbach Foundation, 1953), p. 10.
10. Henry George, *Thy Kingdom Come* (New York: Robert Schalkenbach Foundation, n.d.), p. 13.
11. E.g., E. Benjamin Andrews, "Economic Reform Short of Socialism," *International Journal of Ethics* 2 (April 1892): 281-82.
12. George, *Progress and Poverty*, p. 456.
13. Collier, "Henry George's System," p. 261.
14. George, *Progress and Poverty*, p. 133.
15. See Harry Gunnison Brown, *Basic Principles of Economics*, 3d ed. (Columbia, Mo.: Lucas Brothers, 1955), pp. 403 ff., 416. The present writer vividly recalls hearing Brown make the flat announcement, "I am a Malthusian," to an audience of Georgists in 1960 or thereabouts.
16. George, *Progress and Poverty*, p. 228.
17. *Ibid.*, p. 231.
18. Ernest Teilhac, *Pioneers of American Economic Thought in the Nineteenth Century*, trans. E. A. J. Johnson (New York: Macmillan, 1936), p. 141.
19. Collier, "Henry George's System," pp. 154-55, 158-60.
20. James Haldane Smith, *Economic Moralism: An Essay in Constructive Economics* (London: George Allen & Unwin, 1916), p. 73.
21. See Charles Grove Haines, *The Revival of Natural Law Concepts*, Harvard Studies in Jurisprudence, vol 4 (Cambridge, Mass.: Harvard University Press, 1958).
22. George, *Progress and Poverty*, p. 328.
23. *Ibid.*, p. 508.
24. *Ibid.*, p. 525.
25. *Ibid.*, pp. xvi, 456.
26. See Walter J. Blum and Harry Kalven, Jr., *The Uneasy Case for Progressive Taxation* (Chicago: University of Chicago Press, 1953).
27. See Charles Albro Barker, *Henry George* (New York: Oxford University Press, 1955), pp. 519 f.
28. Harry Gunnison Brown, *Fiscal Policy, Taxation and Free Enterprise* (New York: Robert Schalkenbach Foundation, n.d.), p. 14.
29. Another source of public revenue, also second to the land-value tax in priority, might be escheatment to the community of all estates to which there are no immediate heirs in the direct line, unless the decedent has provided otherwise by will. I do not classify this, even nontechnically, as a tax, but simply as the public appropriation of property to which the title has become, from any standpoint of rational justice, vacant.

30. Harry Gunnison Brown, *Economic Science and the Common Welfare*, 2d ed. (Columbia, Mo.: Lucas Brothers, 1925), pp. 251 f.
31. See Robert Payne, *Marx* (New York: Simon and Schuster, 1968), pp. 484 f.
32. See Barker, *Henry George*, p. 599.
33. Leopold Schwarzschild presents a catalogue of contradictions in the thought of Marx himself. See *Karl Marx: The Red Prussian*, The Universal Library (New York: Grosset & Dunlap, 1947), pp. 398-401. The profound incompatibility between dialectic and materialism is arrestingly delineated by Nicolas Berdyaev in numerous passages, e.g., *The End of Our Time* (New York: Sheed and Ward, 1933), p. 240; and *The Bourgeois Mind and Other Essays* (New York: Sheed and Ward, 1933), p. 82.
34. These are cited by Fred Harrison in chapter 14 on Gronlund in the present volume. See also Marx, *Das Kapital*, 1, pt. 7, and idem, "The Nationalization of the Land," in *Selected Works*, vol. 2 (Moscow: Progress Publishers, 1973).
35. Arthur Nichols Young, *The Single Tax Movement in the United States* (Princeton, N.J.: Princeton University Press, 1916), p. 311.
36. See Payne, *Marx*, p. 81.
37. Karl Marx, *Theses on Feuerbach* (thesis 11).