

Why I Am a Georgist

I remain a Georgist because the morality and economics of Georgism are rock solid.

April 24, 2021

Fred Foldvary, Ph.D.

Economist

#austrianeconomics

#freemarket

#henrygeorge

#libertarianism

#landreform

Reposted from Robert Schalkenbach Foundation

Henry George was an American economist, social philosopher and reformer of the late 1800s. He is known chiefly for analyzing and promoting a single tax on land value, thus eliminating all other taxes. With no tax on trade, and no sales taxes and no tariffs, there would be what George called “true free trade,” resulting in a truly free and just market economy.

I became a Georgist when I attended the 1977 Libertarian Party National Convention in San Francisco. Libertarianism is the philosophy of complete freedom. This includes an economy with a pure free market, the legalization of all acts that have no harmed victims, and a peaceful foreign policy. I had been a libertarian since childhood.

At that convention there was a debate on Georgism between Land Equality and Freedom Executive Director and representative of the San Francisco Henry George School Terry Newland and Richard Ebeling, a libertarian Ph.D. student in economics. Like many libertarians, Ebeling opposed all taxes as impositions on liberty. Terry Newland agreed, except for a levy on land value, as no human being produced the land, and it did not impose a cost on the economy.

I became convinced that Newland had the better argument, and I spoke with him after the debate. He recommended that I read George’s major work, *Progress and Poverty*. About 2/3 into the book, I felt the earth convulse. I had been, unknowingly, in a mental fog about the human condition. After reading the publication, everything became clear. I understood the cause of poverty and all the social ills that stem from poverty. The root cause was land tenure and taxation, both solved by the single tax. Moreover, I saw that the thought of Henry George was complementary to my libertarian thinking.

I was then writing my first book, *The Soul of Liberty*, published in 1980, which is an examination into the moral foundations of libertarianism and its application to economic and social life. I am glad I became a Georgist during the writing of the book, and was able to include in it some of George.

I would later, in 1987, enter graduate school at George Mason University in Virginia. My term paper for macroeconomics was on the role of real estate in the business cycle. I also had classes on the Austrian economic school of thought, including the Austrian theory of the business cycle. I saw that the Georgist and Austrian theories were complementary. In 1997, my article on “The Business Cycle: A Georgist-Austrian Synthesis” was published in the *American Journal of Economics and Sociology*. In that article, I applied the 18-year real estate cycle that was discovered by Homer Hoyt in 1997 to predict, the depression of 2008. In 2007, I published the booklet, *The Depression of 2008*, updating my Geo-Austrian synthesis and forecast. I also combined Georgist and Austrian economics in my chapter, “An Austrian Theory of Spatial Land,” in *The Spatial Market Process*, 2012.

At George Mason, I took classes on public finance with Prof. Richard Wagner. I was introduced to the works of Spencer MaCallum on contractual communities. His grandfather, Spencer Heath, influenced by Henry George, wrote on the financing of private communities from land rent. Because of these works, I conducted my PhD dissertation on Public Goods and Private Communities, showing how homeowners associations and other contractual communities in effect financed their public goods from the generated rent. This was later published as a book.

My Georgist knowledge became enhanced by graduate economics to advance Georgism in new directions. Other influences on my thinking included Fred Harrison in the U.K., Nic Tideman at Virginia Tech, Mason Gaffney of U.C. Riverside, and other Georgist colleagues. During the 1980s, I was on the board of directors of the Henry George School of San Francisco. I now serve on the board of directors of the Robert Schalkenbach Foundation.

In 1997, I began to write weekly articles for the Georgist web site Progress.org. There and elsewhere, and now in RSF blogs, I apply Georgism to various social and economic issues. In 2006, I wrote a booklet entitled The Ultimate Tax Reform published by the Civil Society Institute at Santa Clara University, where I was teaching.

I remain a Georgist because the morality and economics of Georgism are rock solid. My ethical views are based on natural moral law, which George also understood and agreed with. My economic understanding has deepened over the years, but never deviated from George's theory of land. A third element of my thought is on the workings of democracy. I have come to understand that what the German sociologist Max Weber called "mass democracy," which is our current system, is inherently dysfunctional, and should be replaced by small-group bottom-up voting.

My educational and moral background and my desire to continue to learn have led me to three main policy prescriptions are: 1) implement natural moral law; 2) implement Georgist public finance, and 3) implement local and contractual democracy. As recognized by Georgists, land-value taxation is not a mere tax reform, but is the gateway towards a free and equitable society.

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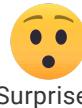
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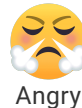
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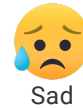
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3 Comments

Edward Dodson ▼

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Tim Crinion

3 months ago

When you buy a car, you are paying the rest of the human race for something that would not exist if they did not exist. When you pay to exist on land, you are paying for something that would still exist if they did not exist. So why are you paying them?

Paying for land is a bit like paying to breathe oxygen, since neither are man-made. Can I buy a 10% share of all the oxygen in the atmosphere, then charge people to breathe it?

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Jon Chance

2 years ago

Tariffs are not taxes.

Different nations have different economies, different monetary units, different governments, and different cultures.

Pretending that all nations are the same is ludicrous.

One among many appropriate uses of tariffs is to offset the costs of the navies that secure the trade routes allowing "free trade".

The so-called "Austrians" are not genuine libertarians. They are corporatists, globalists, monopolists, "bankers", and charlatans.

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Jonathan Hall

10 months ago

→ Jon Chance

That portion of the tariff that provides for the commons of a sea safe from pirates, is indeed not a tax, but a fee for use of the enhanced commons. Private navies lead to too much conflict of interest, and then actual conflict, where it would be hard to discern pirates from

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Fred Foldvary, Ph.D.

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FRED E. FOLDVARY, Ph.D., (May 11, 1946 — June 5, 2021) was an economist who wrote weekly editorials for [Progress.org](#) since 1997. Foldvary's commentaries are well respected for their currency, sound logic, wit, and consistent devotion to human freedom. He received his B.A. in economics from the University of California at Berkeley, and his M.A. and Ph.D. in economics from George Mason University. He taught economics at Virginia Tech, John F. Kennedy University, Santa Clara University, and San Jose State University.

Foldvary is the author of *The Soul of Liberty*, *Public Goods and Private Communities*, and *Dictionary of Free Market Economics*. He edited and contributed to *Beyond Neoclassical Economics* and, with Dan Klein, *The Half-Life of Policy Rationales*. Foldvary's areas of research included public finance, governance, ethical philosophy, and land economics.

Foldvary is notably known for going on record in the *American Journal of Economics and Sociology* in 1997 to predict the exact timing of the 2008 economic depression—eleven years before the event occurred. He was able to do so due to his extensive knowledge of the rea

