



# The Georgist Roots of American Libertarianism

## Reed Schwartz

Few thinkers have been championed by such a wide range of political coalitions, from American Progressives to Taiwanese anti-communists, early zionists to the global Green Party. So how did American libertarianism come to embrace Henry George, too?

In 2023, Sam Altman embarked on a world tour, meeting with heads of state to discuss AI regulation. According to *Time's* [CEO of the Year Profile](#), he was also quietly promoting a more obscure cause — the ideas of the nineteenth-century political economist Henry George. As Altman explained in a 2021 [blog post](#): If AI eventually automates most jobs, wealth will increasingly derive from the ownership of capital. To prevent runaway inequality, he proposed that the United States create a universal dividend, funded with taxes on large firms and — following George — the unimproved value of land.

George has maintained a loyal (if marginal) following since his death in 1897. Today, he is rarely encountered outside of history of economics courses — and urbanist Twitter.<sup>1</sup> But during the Gilded Age, he was one of the world's foremost critics of inequality, and he is generally invoked in the same spirit today.

Notable, then, is the praise George has also received from Peter Thiel. How did an elitist libertarian come to favorably cite an egalitarian populist? The alignment is not unprecedented. Through a tradition that stretches from early Zionists at the turn of the 20th century to the Old Right in the interwar period and the first advocates for charter cities in the 1950s, the Georgist ideology persisted long after it was dropped by the American left. A libertarian turn to George is not a departure, but a homecoming.



Yann Bastard

### ***Progress and Poverty in San Francisco***

Like many of his modern followers, George moved to San Francisco for work. He arrived in 1858, the closing days of the Gold Rush, and finding no luck as a prospector, began work as a typesetter and journalist. From the beginning, George was driven by a universal sense of justice, and in his editorials, he attacked the corruption and poverty of his adopted city.

He rose to local prominence with "What the Railroad Will Bring Us," an essay that would prove prophetic. In 1868, San Francisco was "fast rising to the rank of a great metropolis." With the expansion of the railroad, it was, George believed, destined to become "the great financial and commercial centre of all the Pacific coasts and countries." But the wealth brought by the tracks would not be distributed equally." Most of the profits would flow to landowners; the city's tenantry would receive only higher rents.

This idea that economic growth could worsen the condition of the poor was compounded when George visited New York City in the early 1870s. New York was the richest city in the country, yet the street poverty that George saw there was far worse than anywhere else in

young San Francisco. George returned to the Bay, troubled by the disparity, but it was only on a ride through the Oakland foothills that he realized the cause:



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A decade earlier, it would have been unthinkable that Oakland farmland could cost even a hundredth of the price George was quoted; under the Homestead Act of 1862, frontier land sold for \$1.25 per acre. The land had not been altered, but what surrounded it had changed completely. Hills once nearly uninhabited were now the site of a growing city. Speculators had taken notice.

Ten years earlier, if a tenant could not afford their rent, they could move to the city's margins. Now the peripheries had become vehicles for investors. When speculators hoard tulips, consumers can forgo flower arrangements. When they hoard land, tenants have no choice but to pay. Thomas Jefferson had seen an open frontier as the guarantor of economic and political independence; as it closed, George wrote, "the pillars of the republic that we thought so strong already bend under an increasing strain."

George developed this idea in *Progress and Poverty*, the book that would catapult him to international celebrity and become one of the 19th century's best-sellers. *Progress and Poverty* identified private land ownership as *the* root of society's ills. George believed that his proposal for ending it would show "that *laissez-faire* (in its full true meaning) opens the way to a realization of the noble dreams of socialism." George's panacea was the "single tax," a tax equal to the full rental value of unimproved land, paired with the abolition of all other taxes.

Today, most property taxes are assessed on the combined value of structural improvements and underlying plots.<sup>2</sup> In dense urban areas, land makes up the vast majority of value: space is scarce, and demand for it is high. In more rural areas, structure values tend to dominate: a warehouse in rural Oklahoma may be worth far more than the land it sits on.


As a general rule, when taxes are levied on income, people respond by working less; taxes on capital reduce investment; and taxes on goods reduce consumption. Property taxes disincentivize building, as they penalize improvements with higher rates. The tax on unimproved land is different: it raises revenue without causing deadweight loss. The supply of land is fixed, so no level of taxation can reduce production.<sup>3</sup> Although George was initially rejected by the profession, economists from Milton Friedman to Joseph Stiglitz have since endorsed his land tax.<sup>4</sup>

George believed that, if assessed at 100% of the land value, the single tax would make land speculation impossible: any increase in value would be matched with an increased tax. Landowners who used their plots productively would be able to afford the tax, but land would no longer serve as an investment vehicle. George held that this policy would restore the economic frontier of his grandparents' America, as investors would be forced to sell their holdings to individual proprietors. Overcrowded cities would thin, sowing a crop of self-reliant smallholders.<sup>5</sup> (Today, since cities, not farms, provide the vast majority of employment, the tax would have the opposite effect. Land value taxation would push underbuilt urban land into development and decrease sprawl.) George envisioned the revenues generated from the tax offsetting the abolition of all others, with the remainder funding public works and an early formulation of universal basic income.

It's almost comical to imagine land taxation inspiring such zeal today. George insisted his program would bring about "... the Golden Age of which poets have sung ... the culmination of Christianity — the City of God on earth[!]" But in the 1880s, George's remedy made him a household name. Organized labor was especially receptive: workers across the United States read *Progress and Poverty* aloud at union meetings and on factory floors.<sup>6</sup>

In 1886, George rode his celebrity into an outsider campaign for mayor of New York. He lost, but won an unexpectedly high share of the vote, placing second (ahead of Theodore Roosevelt). It would be the high point of his political career. Squabbles with his labor allies and a dismal result in a subsequent statewide campaign ended his hope of elected office. In 1890 he suffered a stroke, which greatly weakened him. During a quixotic second attempt at the mayoralty, George suffered a second stroke and died, four days before the election. His funeral was among the most crowded in American history, with over 100,000 attendees.

But the movement George inaugurated did not die with him. Georgist reformers fought for and won land value taxes in Pennsylvania, Vancouver, Australia, and New Zealand — though never at the 100% rate George envisioned. During his stint in the Liberal p

Winston Churchill campaigned, unsuccessfully, for a land value tax. Sun Yat-sen integrated George's views into his *Three Principles of the People*, his program for modernizing China, and Leo Tolstoy devoted didactic passages of his final novel, *Resurrection*, to Georgism. 

The American Georgist movement reached its apogee during the Wilson Administration, with multiple Georgists holding cabinet positions and at least thirty dedicated Georgist congressmen.<sup>7</sup> By the 1920s, though, it had largely evaporated. Multiple factors contributed to the movement's demise. First, while George's influence had at times exceeded Marx's — in a 1906 survey of the favorite authors of British Labour MPs, George was cited twelve times, Marx zero — after the Russian Revolution, left-wing radicals rejected George's "class collaborationism."<sup>8</sup> Second, the horrors of the First World War dealt a crippling blow to the utopianism of the Progressive Era; the hope that one simple fix would lead humanity to a higher state seemed incurably naive.

Changes within the American economy also reduced George's relevance. Land had diminished as a factor of production in the decades since *Progress and Poverty*, and technology had made its remedy irrelevant. George had promised to restore the economic frontier by driving out speculators, but highways and personal automobiles achieved the same result, making once-distant land available to commuters. While a few high-profile reformers, including John Dewey and Jane Addams, continued to praise George, Georgism was largely abandoned by the American left.

George was never easy to categorize. His writings framed capitalists — owners of movable property, divorced from rentier landlords — as potential allies for labor; he believed common ownership of land was essential not despite, but because of the sanctity of private property. These idiosyncrasies appealed to a diverse set of followers, and in the New Deal era, they would eventually find purchase on the American right.

### **Franz Oppenheimer and *The State***

*Progress and Poverty* was published in Germany in 1880, just a year after its American release. By the 1890s, its ideas had been popularized by the country's growing land reform movement. Wary of the speculation that had occurred in German East Africa, Imperial Commissioner Wilhelm Schrameier implemented land value taxation in the Chinese concession of Kiautschou.<sup>9</sup> Theodor Herzl, father of political Zionism, promoted George-inspired communal land ownership as the basis of the Jewish state.

Most relevant for the American tradition was George's influence on the sociologist and Zionist Franz Oppenheimer. Like George, Oppenheimer was an unlikely social theorist. He began his career as a medical doctor in Berlin, where the living conditions of his working-class patients sparked an interest in political economy. He retrained, earning a doctorate in economics, and was eventually appointed as Germany's first professor of sociology. In 1908, he published his magnum opus: *Der Staat*, which was translated in English in 1914 as *The State*.

In it, Oppenheimer set out to explain the origin, development, and fate of human government. In his view, the state "had no other purpose than the economic exploitation of the vanquished by the victors;" it arose when nomadic raiders realized that rather than killing sedentary farmers and stealing their crops, they could do better by settling among them and exacting tribute. Over time, this system of brute domination was codified as feudalism. However, the growth of the bourgeoisie and their demands for political and economic liberty compelled it to soften, and by the turn of the century, the state appeared to be on its last legs.

According to Oppenheimer, the last shackle was — following George — private land ownership. While George had attacked America's newly-minted robber barons, Oppenheimer focused his ire on the Junkers, Prussia's landed gentry — a tangible vestige of the feudal order. Their dominion over vast estates had arrested progressive development. Only when land monopoly was eliminated could mankind at last achieve "full freedom, real free competition and true democracy," following "the way that Henry George opened up but was not chosen to accomplish."

A prominent Zionist, Oppenheimer applied his theories to Merhavia, a settlement established in Ottoman Palestine in 1911. In his proposal, workers would be able to choose between communal profit-sharing and individual proprietorship — with the provision that all land, even plots managed individually, would be held in common. In this way, self-interest would continue to motivate production, while the "land usury" Oppenheimer had witnessed in Tel Aviv would be averted. He visited the commune in 1913, writing enthusiastically about its development, but was prevented from returning by the outbreak of World War I.

Nazi persecution forced Oppenheimer to flee Germany for Los Angeles in the mid-1930s. In 1941, he founded the *Georgist Journal of American Economics and Sociology* with John Dewey and other prominent Georgists. He maintained his anti-statist Georgism for the rest of his life, as he expressed in an early issue: "away with the monopolies; and, after, '*Laissez-faire!*'" He died two years later.

### **Albert Jay Nock and the Old Right**

While Oppenheimer's self-described "liberal socialism" at least rhymed with George's egalitarian spirit as the American state expanded, their ideas were adopted and adapted by a new faction: the conservatives now remembered as the Old Right. Through the

writer Albert Jay Nock and his fellow travelers, the Georgist view of land ownership helped birth organized libertarianism.

Nock edited *The Nation* during the First World War. He was an ardent pacifist with a belligerent pen: one of his attacks on Samuel Gompers, a labor representative for the Wilson administration (and a fellow Georgist) was so cutting that the government briefly censored the magazine. Like Oppenheimer, Nock developed a total opposition to the state, believing that humanity could flourish only in its absence.

After the war, Nock clashed with *The Nation's* left-wing editor and departed to found *The Freeman*, a classically liberal and explicitly Georgist magazine. In its four-year run, he published such luminaries as Bertrand Russell, Thorstein Veblen, and John Dos Passos. Afterward, he continued to publish on isolationist and individualist themes, and wrote biographies of his idols: Thomas Jefferson, François Rabelais, and George.

Nock despised the Wilson administration, but he was no more inclined toward its successors. He was committed to *laissez-faire* principles and did not tolerate Republican support for tariffs and prohibition. He reserved particular vitriol for Franklin Roosevelt; in his memoirs, he wrote that “Communism, the New Deal, Fascism, Nazism, are merely so-many trade-names for collectivist Statism, like the trade-names for tooth-pastes which are all exactly alike except for the flavouring.” He rejected the term “liberal” for its association with Roosevelt’s policies, becoming among the first to identify as a “libertarian.”<sup>10</sup>

While the inalienability of property became fundamental to later libertarianism, Nock wrote that George had created a system “against which nothing rational has ever been said, or can be said.” He agreed with George that economic freedom — that is, freedom from monopoly land ownership — was essential for political and social freedom. The land value tax was “the most natural, simple, and effective means” of achieving it.

His one worry was that it could generate *too much* revenue. To avoid feeding the federal state, Nock suggested that the tax be allocated on the local level.<sup>11</sup> Oppenheimer’s work was also a key influence. The title of Nock’s best-known work — *Our Enemy, The State* — nods to *Der Staat*, and in it, he built on Oppenheimer’s characterization of the state as a mechanism of exploitation, reframing the American Revolution as a power grab by landed interests.

Nock’s major departure from George and Oppenheimer was his pessimism. His utopian predecessors had believed in human improbability. Nock began his career as a curmudgeon and died a committed misanthrope. In his 1939 biography, Nock chastised George for trying to reach “the ineducable nine-tenths, or more, of the human race.”

As the New Deal order took root, Nock despaired of politics entirely. In “Isaiah’s Job,” published in *The Atlantic* in 1936, Nock expressed his sincere belief that trying to convince “the masses” of anything was futile. The Prophet Isaiah is instructed to warn his fellow Israelites of impending punishment though he knows they will not listen, and Nock believed the obligation of the serious philosopher was to do the same, to speak to the public only to avoid leaving “the small but socially valuable minority somewhat out in the cold.”

But even as he discarded the universal and egalitarian commitments of *Progress and Poverty*, Nock maintained the perfection of its remedy. Only by eliminating landholder domination could the masses reach what meager potential they did have.

In 1941, Nock cemented his alienation from polite society with the publication of an antisemitic article in *The Atlantic*, “The Jewish Problem in America.” He turned to fringe magazines, where his cultural criticism ran adjacent to Nazi apologia. Though his autobiographical *Memoirs of a Superfluous Man*, published in 1943, was celebrated for its prose, his isolationist politics found no purchase in wartime America. It did land him one lifeline: in the two years between the publication of *Memoirs* and his death, he became a frequent dinner guest of William F. Buckley Sr. and an influence on his teenage son. At the age of seventeen, William F. Buckley Jr. declared Nock’s *Memoirs* his favorite book.

In the late 30s, Nock’s disciple Frank Chodorov became the director of the Henry George School of Social Science in New York. In its heyday, the school enrolled over a thousand students. As director, Chodorov published a successor paper to Nock’s *Freeman*, again featuring Russell, Veblen, and Nock. The role did not last, though. Chodorov shared his mentor’s fervent isolationism and was fired by the school’s board after Pearl Harbor.

Returning to journalism, Chodorov founded the broadsheet *analysis*. Murray Rothbard, who would become the most important intellectual in the movement’s history, published his first article in *analysis*, describing it as his “entrée to uncompromising libertarianism.” Chodorov was also the first to publish Buckley, who noted that “It is quite unlikely that I should have pursued a career as a writer but for the encouragement [Chodorov] gave me just after I graduated from Yale.” The two founded the Intercollegiate Studies Institute, a major node of libertarian organizing on college campuses, in 1953. Buckley’s *National Review*, which he founded in 1955, was started with a staff largely cannibalized from Chodorov’s next venture, another iteration of the *Freeman*.

The Georgist label, if not the spirit, stuck with Buckley. He identified himself as a Georgist in a 1985 *Firing Line* interview, although a *National Review* editor reports that he later retreated to “closet Georgist.”<sup>12</sup> The fusionist conservative movement he helped shape

was entirely divorced from George's ideas, and he supported a property tax cap in California in the 1970s, undermining the idea that he had taken much from *Progress and Poverty*. So too the bulk of libertarianism: by the end of the 20th century, Murray Rothbard reoriented the movement toward unlimited private property rights, firmly excising George. Yet libertarian Georgism did not die with Nock and Chodorov. Rothbard's ideas were integrated into the tradition by the ex-Georgist Spencer Heath, creating what would become the foundation of modern charter cities projects.

### Heath, MacCallum, and Georgist charter cities

Heath, a wealthy inventor, had co-founded the Henry George School of Social Science with Dewey. Originally drawn to George's writings on trade, he broke with what he referred to as George's "land communism," asserting that landlords provided a genuine service and deserved compensation. In response, Chodorov fired him.<sup>13</sup> Heath was certainly heretical, but his writings still contained a core of Georgist analysis, and it is his ideas, rather than the Tory radicalisms of Nock and Chodorov, that have the most tangible legacy today.

As a community grows, the value created by its members is reflected in the price of its land. As George noted, that value is captured by landowners, not those who created it: When a coffee shop or grocery store opens, it raises the value of all surrounding property, an externality the shop owner cannot capture. To remedy this, George proposed returning all land value to all society through a single tax or land nationalization. Heath reversed this approach. If the problem with land ownership was that it let landlords capture unearned value, he would vertically integrate the community. If all improvements were created by a single proprietor, they could fairly claim 100% of a community's land value.

Heath's grandson, Spencer Heath MacCallum, further developed this idea in *The Art of Community*, published in 1970. MacCallum suggested that, in the (hypothetical) absence of political sovereignty, societies should be organized by contract. He used the example of a shopping mall: the owner of a mall makes the space attractive for tenants, and in exchange receives rent, which both compensates them for their management and provides them with funds to reinvest in improvements. If they do a bad job maintaining the space, tenants will leave; if they do a good job, demand for space and therefore rents will rise. Land values will be internalized and, as in George's scheme, free riders eliminated. For MacCallum, sovereign nations could be replaced by an archipelago of proprietary communities, with jurisdictions competing for tenants in a system of free movement. Exits, rather than votes, would determine policy.

By proposing that the state be replaced by private landlords, rather than become the sole landowner itself, Heath and his grandson preserved George's analysis while jettisoning his moral vision. George called for an open frontier and Jeffersonian democracy. Heath and MacCallum would enclose the public sphere and place it in the hands of wealthy entrepreneurs. Anti-Georgists were more receptive to their ideas than Chodorov had been: Heath frequently hosted Murray Rothbard and his "Circle Bastiat" at his apartment, and Rothbard cited Heath's defense of landlords in his attacks on George.

While the right-Georgism of Nock and Chodorov was relegated to a historical footnote, the ideas of Heath and MacCallum have left real, physical footprints. Mark Lutter, founder of the Charter Cities Institute, stayed with MacCallum at his property in Mexico before beginning his dissertation on charter cities; both he and the founder of *The Seasteading Institute*, Patri Friedman, have cited *The Art of Community* as a core inspiration.<sup>14</sup> A charter city in Honduras, *Ciudad Morazán*, was founded on the late MacCallum's ideas by one of his close friends. Though the Honduran government has repealed the law that made charter cities like Morazán and Próspera possible, the Charter Cities Institute has partnered with projects that continue to develop across Africa.

### George in Silicon Valley

Today, the most powerful supporter of George — a radical who won international celebrity for his attacks on inequality and rent-seeking — is a billionaire whose best-selling book instructs capitalists to create monopolies. Peter Thiel frequently praises George in his public speaking and writing; several years ago he co-hosted a seminar with Tyler Cowen on *Progress and Poverty*, and he has taught the book in political theory courses at Stanford.<sup>15</sup> While Thiel is more interested in George's economics than his libertarian predecessors, he shares the apostate Georgists' flirtation with secession.

One reason why Thiel's politics might differ from those of the railroad barons George opposed is obvious: very little of Thiel's wealth comes from land. Additionally, Thiel has noted that, as a venture capitalist, "the vast majority of the capital [he invests in] companies is just going to landlords." He would love to drive down the value of urban land, if only to cut location bonuses from his rent-burdened employees' salaries. Even cynically, he has no incentive to defend land speculation.

The interest goes further, though. For well over a decade, Thiel has maintained that outside of a few fields like computer science, technological progress has stagnated since the late 60s.<sup>16</sup> This has been most acutely felt by urban workers, who have seen increasing shares of their incomes eaten by rising rents. In Thiel's view, the resulting scarcity has pushed them toward what he refers to as a "parody of progressivism," in which "people don't want to live in houses anymore, they don't want to have families, they're s

conscientious, they'd rather eat insects and not have children." As George wrote, "want breeds ignorance that our schools cannot enlighten;" polarization festers as workers engage in zero-sum competition for jobs.



Housing scarcity and cultural dysfunction then become mutually reinforcing. Thiel blames "the unholy alliance between urban slumlords and pseudo-environmentalists" for blocking housing — not entirely unfairly, given the weaponization of environmental reviews against infill development. As he sees left-wing ideologies as part of a pathological superstructure, fixing the base with a land value tax would also contribute to victory in culture wars.

In other ways, Thiel's politics aren't so far from Nock's or MacCallum's. In a 2009 article for *Cato Unbound*, he wrote that he was skeptical of the potential for libertarianism in a world with women's suffrage — after blowback, he clarified that he didn't have faith in suffrage at all — and expressed interest in zones free from democratic control, in exit as the organizing principle of politics (a principle muddled, perhaps, by his and his protégés' outsized influence on and in the government.) Thiel was one of Patri Friedman's first funders at the Seasteading Institute, seeding the organization with a \$500,000 donation, though like Friedman he has since exited the project.

Thiel's politics are far from Rothbardian. Although the role of land in the American economy has shrunk compared to what it was in the Gilded Age, as Thiel and Altman have noted, it has by no means disappeared — and as the value of knowledge clusters like the Bay Area increases, it grows increasingly distortionary.

### Frontier economist

In 1890, with the settling of the Oklahoma Territory, the United States Census declared the frontier closed. In his seminal essay "The Importance of the Frontier in American History," the historian Frederick Jackson Turner interpreted the American character as the product of its "open" land: westward emigration had disciplined overreaching governments in the East, and the pioneer lifestyle had ingrained a hardy individualism among homesteaders. The end of the frontier meant the end of America's adolescence.

Though he analyzed it geographically rather than economically, Turner echoed George's diagnosis from 20 years earlier. For both, a closed frontier, shut by settlers or speculators, had bowed the American spirit.<sup>17</sup>





Turner's thesis exerted a tremendous force on American self-perception. It holds a special fascination for libertarians. The romance of the untamed land- or moon-scape undergirds libertarian classics by Ayn Rand and Robert Heinlein, and it is no coincidence that Rose Wilder Lane, who encouraged her mother Laura Ingalls Wilder to write *Little House on the Prairie*, became, with Rand, a "founding mother" of the libertarian movement.

While George anticipated Turner's diagnosis of America's ills, he was optimistic they could be cured. From Imperial Germany and back to its birthplace in San Francisco, anti-statists have repeatedly revived George's remedy, stripping it of its egalitarian foundation but preserving its core mechanism. Even in their furthest departures from his vision, the land tax retains its essential promise. Oppenheimer, Nock, and Thiel all sought escape — from feudal landlords, the state, or democracy itself — but they shared George's fundamental insight: the frontier was never lost, only enclosed.

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