

## *The Alternative Georgist Tradition*

By SPENCER H. MACCALLUM

Henry George (1839-1897), the most passionate thinker and writer of the Victorian era on the condition of man, was called in his day "the apostle of freedom." Undeniably he was the greatest writer and orator on free trade who ever lived. Yet the deepest irony surrounds his program of social reform. It ended by being destroyed, as it also destroyed Henry George himself, the untimely victim of a stroke in the heat of the political campaign of 1897 for the mayoralty of New York City.

In a series of six evening lectures early this year at the University of Nevada, Las Vegas, historian of ideas Kenneth R. Gregg traced the continuity of the classical liberal tradition in America from the founding years to World War II. He showed how the tradition had been shattered by the Civil War, but that Henry George had reinterpreted it and drawn together, like a lightning rod, its scattered elements into a new synthesis.

Mr. Gregg also showed how the Georgist movement during the century following George's death became grounded on the sand bar of politics, all but destroyed by its reliance on political rather than educational and voluntary means. First known as "Single-Taxers," its adherents later came to be known as advocates of "land value taxation."

Building in the tradition of thinkers such as Thomas Spence, Patrick Dove, and Herbert Spencer, Henry George's underlying, fundamental insight was to abolish all taxation of private industry and finance all public services exclusively from ground rents. When it came to applying this pregnant principle, however, the only way he knew was to look to

government to collect those rents. This reliance on force, Gregg believes, was his Achilles' heel.

Few today are aware that among George's followers, beginning with his closest associate, Thomas G. Shearman, and ending with Spencer Heath, were those who eschewed politics even while remaining true to George's fundamental principle. This libertarian trend within Georgism reached its culmination in Spencer Heath's transcendent vision of natural, self-enacting social reform — read "growth" — effected through the market itself without any need to appeal to the iron sword of Caesar.

Henry George had left land owners out of the equation altogether and substituted the state. But Mr. Gregg in his lectures called attention to a little-known but landmark paper published in 1936 under the title, *Politics Versus Proprietorship*, in which Spencer Heath showed the Georgist proposal to untax private production completely and finance public services from ground rents to be profoundly in the land owners' interest. For if private production were freed of all taxes and restrictive regulations, productivity would soar, sites and resources would come into high demand, and rents would rise by more than enough to pay the costs of government. Herein lies an unparalleled entrepreneurial opportunity for land owners, acting in their own interest, to organize and blaze the way towards a free and creative society for all.

Mr. Gregg said that Heath, who was recording secretary of the Chicago Single Tax Club in 1897, the year Henry George died, came to differ with other Georgists

on some long accepted points such as the labor theory of ownership. This theory led to a moralistic bent in Georgism that Heath did not find productive; his preferred approach was to take a functional view of social institutions much as an investigative biologist might. The labor theory also implied that ownership of land would not be found in a free society but was an unnatural privilege requiring the backing of government power. Although this has since been thoroughly disproven by anthropological studies of stateless societies, Heath's departure from this point of theory may be one reason why his bold proposal to recruit land owners into the very ranks of the Georgist cause made little sense to orthodox Georgists.

After a century of splintering and disputing among George's followers, the question may simply be one of land economics, to which politics is irrelevant. If Spencer Heath is correct, Gregg suggests, the contentious issues surrounding land-value taxation can be resolved by putting aside the notion of taxation altogether and focusing instead on understanding the relationship between ground rent and community services. Economist Fred Foldvary made a significant start in this direction with his recent, prize-winning book, *Public Goods and Private Communities: The Market Provision of Community Services* (Edward Elgar, 1994, available through the Schalkenbach Foundation).

The libertarian voice within Georgism has been quiet too long. Kenneth Gregg is performing a profound service in bringing to public attention this alternative, non-political Georgist tradition.