

Sovereignty and the Single Tax

by Lindy Davies

Henry George made an airtight case for the fundamental justice of his “sovereign remedy”: people have a right to exist. They have a right to themselves, to their own abilities, talents, ideas and insights — and therefore, they have a right to own the products of their own exertion. Because people have basic material needs, their right to existence includes their right to those natural materials and opportunities that make their existence possible. In order to secure these fundamental rights, George proposed that all the rent of natural opportunities (defined broadly, as George did) be collected for public revenue, and all other taxes be abolished.

It very soon becomes apparent that people’s right to the earth (and therefore, their right to their equal share of the overall rent fund) is not conditioned on where they happen to live, or what regime governs them. Why should it be? Georgists point out that the holder of a pricey urban lot has done nothing to earn his lot’s vastly greater value than an equal-size parcel in the hinterland. That is true — and by the same logic, it is true that the people of Saudi Arabia have done nothing to earn the vastly greater value of their nation’s resources than those of, say, Bangladesh. While it is certainly true that all Saudi Arabians have an equal right to the rental value of the oil lands of Saudi Arabia, have no others any right to share that rent?

Nevertheless, for public revenue to be collected, there must be some authority with the power to collect it. And in the world we have inherited, that authority inescapably rests with the nation-state. Governing bodies at local, regional and international levels derive their authority from that of nation-states. Nations are expected to respect each others’ laws and boundaries, and to negotiate treaties, conduct diplomatic relations, etc., with other nations; that is seen as the working of a “civilized” world order.

Is there truly any fundamental utility in the institution of the nation-state? If so, what is it, and where did it come from? The 20th Century has seen hundreds of boundaries redrawn— sometimes two and three times in the course of a decade. However, each renamed and reflagged nation is seen (rhetorically, anyway) as a fully legitimate member of the World Community of Nations. (Many new nations attempt to mint themselves a kind of instant patriotism to accompany their emergent sovereignty.) Political boundaries are drawn — and it has always been thus — for entirely pragmatic reasons. Some national boundaries seem more sacrosanct than others, of course, but the reasons for that always have more to do with military power than with Divine Will. In Western Europe, for example, small kingdoms vied for territorial control for centuries. Big kingdoms swallowed up little kingdoms until formidable limits of mountains, seas, or religious and cultural barriers, checked their advance with

sturdy boundaries. Only in hindsight do they appear to have been ordained by Providence. Indeed, the process we call “Balkanization” is that of breaking up just such a “natural” kingdom, or empire, into the small, hostile, shifting principalities out of which it had been built.

Just because a nation is organized for pragmatic reasons, though, doesn't make it a bad thing. The citizens of France are pleased to live in a country of French-speakers who share a heritage, a vivid culture, a flag, an anthem, a soccer team. A nation can function as a cultural unit, a useful and important agent of civilization. It is painfully clear, however, that the cultural nation need not be congruent with, or indeed, have any real connection with the political nation. There have been cultural nations that lack territory — such as the Basques, Kurds and Tibetans — and there have been political nations that, living within boundaries hacked out for the purposes of some other power, are composed of many cultural groups, that might be hostile toward each other, and certainly lack any sense of national cohesion. The cultural nation is an organic entity, formed over a long time, which cannot be dissolved (except by genocide). When a cultural nation and a political nation happen to coincide within the same administration, its people are fortunate.*

The main thing that a political nation¹ does, of course, is to administer territory. This is the real meaning of “sovereignty”, and the overarching reason why a nation-state is useful to its citizens. As the administrator of its territory, the nation is the securer of land-tenure rights for its people — and in the world's “democratic” or “capitalistic” nations, that means some form of “private” land ownership. The right of individuals to own land is derived from the nation's “right” to control and defend its own territory — a power it could only have acquired, in Henry George's words, through “force, fraud or conquest”. But, for George, that is a problem than can be fixed. He and his followers would seek to place a nation on a secure moral footing, by redesigning its land tenure system so as to secure individual rights and eliminate privilege. Georgists contend that by enacting this reform, the “Single Tax”, a nation can secure equal rights for all its people, and remove systemic barriers to material progress — which, in an economy free of privilege and coercion, would provide profound benefits to everyone in the nation.

However: if it is wrong for land to be the exclusive private property of an individual, is it not also wrong for land to be the exclusive private property of a group, to the exclusion of the rest of humanity? Let's say that

*In his book *The Open Sore of a Continent*, celebrated Nigerian author Wole Soyinka details the painful process by which Nigeria approached the uniting of the political with the cultural state. The country failed to achieve this worthy and difficult goal, in Soyinka's view, when the results of a free, fair national election were cast aside by a coup in 1993, leading to factional and ethnic infighting that persists to this day.

a group of people, on whose behalf a certain piece of territory is administered, decide to equitably share the rent of that territory and its resources among themselves. This enlightened policy engenders widespread prosperity and satisfaction. When news spreads, many people want to come there and take advantage of the opportunities that have been created. Our "single tax" regime must now face a pivotal question. Will it restrict immigration, treating its newfound prosperity like a treasure of fixed size, that can be shared right out of existence? If it did, it would be unjustly reserving, to a few, opportunities that rightfully belong to everyone; it would be acting, in other words, like a landlord.

But suppose the nation didn't do that. It could choose, instead, to accept the guidance of the free market. If people want to come here, to work and live, let them come! Their presence as producers and consumers will increase the rent fund that is to be used for the good of everyone in our nation. As these newcomers create new demands for infrastructure and services, the rent will rise to pay for it. When the rent rises to such a level that moving to this country becomes less attractive, the flow of immigration will slow down. Are anyone's rights infringed in this process?

No. They are not! Our national government has instituted an enlightened public revenue policy which allows rising rents to benefit not just a landowning elite, but everyone in the nation. Then, instead of making the nation's citizenry *itself* a landowning elite, it has opened its borders, sharing its justly-earned prosperity with all who care to come in. It is true that some would suffer; all those who had made their livings by collecting on the privileges they held would be compelled to seek honest work; but the removal of a privilege is not the denial of a right.

A nation can justly administer the natural opportunities within its territory in this manner, perhaps — but what about transboundary resources? There are many examples: rivers, fisheries, mineral deposits that straddle nation-state boundaries, the electromagnetic spectrum, the atmosphere itself. Doesn't justice require nations (or individuals) to pay, to some international governing body, the rent for these resources? And if they do not, isn't a "tragedy of the commons" the unavoidable result?

Clearly, a profligate nation that greedily burns up natural resources to support a wasteful, polluting, anti-human material culture (a nation, in other words, like the United States) is harmful to a just, sustainable world community. If our SUVs, chemical plants and weapons factories use more than their share of the world's breathable air as a dumping ground, then surely some recompense is owed — but who should it be paid to? Who would dare to demand it? It can be argued that the United States's need to overconsume, overpollute and prepare for war is brought on by its own unjust, retarded domestic economy and the privileged elite that profit

from things as they are. The US already pays considerable dues, in the form of military budgets, foreign aid, relief, etc., to maintain its world preeminence; it could probably afford to pay a little “greenhouse gas tax” off the top, without having to pose any serious challenges to its economic order at home (the Clinton Administration thought so, at least).

On the other hand, perhaps we could remedy the effects of our wastefulness by eliminating its cause. It is entirely likely that were the United States to adopt a “single tax” economy, the costs of maintaining injustice, at home and abroad, would diminish. The external costs of fossil fuels and the “car culture” would emerge in stark view. Rising wages, coupled with the elimination of land-hoarding, would open up many opportunities for alternative, green, sustainable, small, local enterprises — things that only fail to spring up today because their costs are prohibitive in today’s low-wage economy. In short, if a nation creates a just, prosperous economy at home, it can afford to be a good citizen of the global environment, and it is in its own interest to do so. If it wastes effort preserving a wasteful, unjust political economy at home, its foreign policy will always be dominated by the need for hegemony. And, such a nation will invariably refuse demands that it pay out some form of compensation to its neighbors, claiming that they wallow in even-deeper pits of corruption, injustice and waste.

It is an unfortunate fact that the whole notion of a “just and sustainable economy” is mostly seen as a privilege. It is only upon reaching a certain level of prosperity that people can begin, for example, to invest in “socially responsible” financial instruments. Justice is seen as a luxury that most — especially in the developing world — simply cannot afford.

Henry George’s theory enables us to understand that a truly just economic order need not sacrifice prosperity — and that a truly prosperous economy need not be unsustainable. However, the key to realizing this vision of society is in the system of public revenue, and when push comes to shove, the institution that determines public revenue policy in today’s world is the nation-state. Therefore, actions at the local level — or the international level — can be instructive and interesting, but they are only rehearsals for the real action. On the other hand, if we could achieve “the single tax in one nation”, that nation could truly be a model for the entire world.

The day may come when the interconnectedness of our world renders the old boundaries superfluous, and the organization of a single world government will make political and economic sense. But we are certainly not there yet. And it seems to me that we cannot ever get there without the single tax in one country, and then another, and then many more. International cooperation can never really make sense on a shrinking, Malthusian planet. Would not an unjust world government be far more terrifying than today’s uneasy rabble of unjust nation-states? **(G)**