

# THE 'SINGLE TAX': WHAT DID GEORGE RECOMMEND ?

S.S. Gilchrist

Sadly, we occasionally hear some say that Henry George's ideas do not seem to be accepted by the Community, and it may be true (although that is rather pessimistic).

But why are they not accepted?

Which ideas are being put to them ?

## Two levels

George provided discussion at *two* levels. The first is what might be called the philosophical level. In it, George, after considerable analysis, showed that, if there was a perfect world and people could value perfectly, then the absolute full, exact, 'true', real rent could be

paid to the community by every landholder; and also that the worker received the exact true value of his effort and skill (wages), without the community taking any (in the form of taxes on that value).

George went further, to say hopefully it would be nice if that condition could start tomorrow!

## Second level

But George did not leave it there. George was a real practical chap, and he went on ! In spite of his humanitarian reasoning, George did *not* recommend the *full* collection of the 'true rent'. He did not ! He never did ! Yet some of George's followers try to insist he did ! The answer is that George's practical message is not being put by the majority of Georgist's. What did George say in practice?

**Firstly**, he said to let the landholder keep the 'title' or 'license' to the use of the site forever, continually. In other words, the occupier had the continual *option* of occupation, with the right to sell the title or bequeath it, but to pay a continual amount for such use.

**Secondly**, he said to *leave* a small proportion of the value of the site yield with the holder of the license. He did not say how much, but roughly 10% seems a good figure. Admittedly,

in his philosophic mood, George talks of "taking the rent" and "confiscating the rent", but in his practical role he talks of "taking taxation from land value", by which he means the market value of the title (Reference Book VIII, Chapter II), and he writes "we may put the proposition into practical form".

On the third page of Bk. VIII, Chap. II, George says "Nor to take the rent for public uses is it necessary that the State should bother with the letting of lands", and "By leaving to landowners a percentage of rent which would probably be less than the cost.....".

Admittedly, George is sometimes confusing and even contradictory as to whether he takes all the rent or

leaves some with the landholder, but his practical conclusion is the latter. And if, in fact, 10% of the yield (roughly) is left with the landholder, then there is also roughly 10% of the value of the land title remaining on the market (subject to removal of speculation etc.).

Of course site titles would fall in value, but they would not fall to zero, except perhaps 'at the margin'. To talk of 'zero' is absolute fantasy, and Georgists gain no credit by saying it.

**Thirdly**, George said: Collect the payment by a payment

directly related to the estimated sale price of each site in the market. This could easily be estimated once per year (and perhaps paid quarterly). In the last hundred years, it has been clearly shown by millions of applications that a Valuer General can, and does, make a reasonably close and sensible market valuation.

One of the reasons why George said "leave a small proportion with the holder" was that it was not

possible to be exact, and there are various lags and variations which take place during a year. One only has to look at the graphs over a year or two of the price variation, day to day, for all sorts of commodities such as wheat, wool, oil or coal to see appreciable variation. Although the variation might not be as great, site value would also vary during a year, even if speculation was reduced.

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"We would simply take for the community what belongs to the community, the value that attaches to land by the growth of the community; leave sacredly to the individual all that belongs to the individual; and, treating necessary monopolies as the functions of the State, abolish all restrictions and prohibitions save those required for public health, safety, morals and convenience".

Henry George

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"I do not propose either the purchase or the confiscation of private property in land. The first would be unjust; the second, needless. Let the individuals who now hold it still retain, if they want to, possession of what they are pleased to call *their* land. Let them to continue to call it *their* land. Let them buy and sell, and bequeath and devise it. *It is not necessary to confiscate land; it is only necessary to confiscate rent*".

Henry George