

The Meaning of ‘The Single Tax’

by Richard Giles

The Georgist movement is indelibly linked to ‘the single tax’. It remains as a hope even to those who now only promote land value taxation. It is not an exaggeration to say that many become and remain Georgists simply because they are convinced of the merits of ‘the single tax’.

It may surprise us to find that the man who gave ‘the single tax’ this pre-eminence was not Henry George, but Thomas Gaskell Shearman, a prominent supporter who believed that his fiscal approach offered a practical way to disseminate George’s ideas. The main features of his approach are evident in the speech he gave in January, 1887, to the wealthy Constitution Club in New York:

The concentration of all public burdens upon the rental value of land... is not merely the best system of taxation, but is absolutely the only one which has ever yet been suggested under which property can be accurately valued, equally assessed, and encouraged to its fullest development. It is the only system under which no discouragement is put upon the production of wealth and no interference made with its natural distribution. [1]

He admits that his view is the same as that of Henry George, a name he concedes to be “a red spectre” to his audience. Nonetheless, in regard to this matter, he says

I have sought to consider it from a thoroughly practical point of view, disregarding all sentimental nonsense on either side... I have started from the eminently practical ground of inquiring first what is possible, instead of what is desirable, and have allowed abstract considerations of right or wrong, justice or injustice, to take only a minor place in the discussion. [2]

‘The Single Tax’ — a Turning Point

Today we are quite familiar with this rational, practical approach. At the time, however, this unfamiliar and, to many, thoroughly repugnant approach to George’s teaching excited often violent denunciation. ‘The single tax’ approach seemed to take emphasis away from class division, placing its full force upon the weaknesses of the taxation system (a system that was, nonetheless, surely the weakest part of the existing political system). This approach was called “soulless, principleless”. It ceased

to oppose private property in land nor to assert those fundamental principles and concerns for the lowest stratum of workers that had driven the movement during the previous seven years.

At a time when George had failed as a representative of the United Labor Party to become Mayor of New York, and when his relations with the labour movement were vitiated by his unpopular defence of the verdict in the Haymarket Bomb Affair, not to mention the attacks by the Catholic Church in New York, ‘the single tax approach’ must have seemed like an attractive option. The simple appeal by Shearman for a better tax system brought about a new phase in the movement. It was an appeal heard by many of the middle class.

The change was summed up approvingly by another of George’s intimates, Louis Post, who later wrote that this new phase in the movement was “a phase which, ignoring class contests and class interests as such, appealed to the one rational method of laying the only firm foundation for a truly democratic social structure”.*

‘The Single Tax Limited’

The controversy with Shearman had another aspect that went beyond rhetoric into questions of policy. Shearman identified ‘the single tax’ with government revenue, and he advocated only as much land tax as would meet the needs of government. At the time, he reckoned that was about 65% of the rental value of land. Here one might see the coming rejection of the term ‘single tax’ in favour of ‘land value taxation’. Notable now is the reliance upon ‘enlightened self-interest’ rather than selflessness or “the religious conscience”.

Outwardly, George defended Shearman — asking, perhaps sophistically, that since Shearman favoured ‘the single tax’, what more had he to do to be a single taxer? In effect, though George acknowledged that Shearman subscribed to ‘the single tax limited’ rather than ‘the single tax unlimited’ as he did, he made it very clear to everyone that Shearman was in the movement and there to stay. Shearman was a friend, he gave valuable financial help to the movement, and he seemed to have a formula that was politically useful.

There is not the slightest evidence that I have been able to find that George altered his own teaching to accommodate the approach that Shearman was pursuing. One result of this was that he became increasingly estranged from his own movement. George summed up these differences in an article he wrote in March, 1889. ‘The single tax’, he wrote, “only suggests the fiscal side of our aims”. [3]

Shearman's argument implied that, if it were true that the land tax required the abolition of other taxes, then arguments for the gradual reduction of such things as the tariff was a legitimate aim for the movement. In this way, and certainly with George's support, the movement became seriously drawn into the movement for free trade.

This new approach soon became registered in the names of the Georgist organizations. Land and Labor Clubs became Single Tax Clubs and, when in Sydney in September, 1901, an organization was formed it took the prevalent name of the Free Trade and Land Values League.

The Effects of Shearmanism

The deeper and more serious effects upon the movement of what critics called Shearmanism was well put by one old-time Georgist in 1904.

We have shouted and voted for tariff reform, free silver, local option in taxation, three cent fares and for all sorts of things, except what we believe in, until we find that the Single Taxers are now habitually evading any direct enunciation of the Single Tax principles as though these were monstrous, and actually doing their best to inculcate doctrines which are either absolutely wrong or which confuse the people and lead them to seek for remedies elsewhere than in the Single Tax.... [Some leaders of our movement] are actually expending energy, time and money to teach doctrines which are in direct conflict with our principles" . [4]

Indeed, one such land value taxation leader, Charles B. Fillebrown (admittedly later in 1917) argued that the idea that all economic rent could be taken by taxation was an "economic hallucination". And, he wrote, while some of what he dubbed "original enthusiasts" still loudly attacked the institution of private property in land, economists should know that "a vastly more numerous body of logical and consistent believers in the single tax stoutly defend private proprietorship". [5]

Shearmanism Today

The past makes evident that the movement made several changes calculated to win more acceptance from leaders of public opinion. This victory of tactics was costly, however — taking emphasis away from the fundamental principles that George spent his life teaching. It could be said that this change in the character of the movement meant the removal of the rudder by which the movement might safely steer.

George argued in *The Science of Political Economy* that the science of economics can only advance when it begins from first principles, natural laws which are “expressions, not of the mutable will of man, but of the immutable will of God”. Shearmanism’s starting point was not a principle, but the application of a principle. From this point it worked backwards to more general considerations, setting them to accord with its promotion.

As we remember, one result was support for private property in land. George had come to the conclusion that the institution of private property in land needed what he termed an “adjustment” to make it accord with the natural law that we all have a right to the use of the earth. Study of the natural law of rent suggested that this adjustment to private property in land was a piece of human legislation called ‘the single tax’.

‘The single tax’ is at best a partial principle; that is, it applies in certain conditions. The condition is obvious. It is where land is legally held under exclusive use — in other words, where there is a claim to “own my land”. It is applied wrongly to common land, for common land is governed by an entirely different set of human conventions

Congestion and Other Charges on Common Land

Today there is an enthusiasm, among several prominent Georgists, for congestion charges, road tolls, and other charges for the use of common land.

George argues in *The Science of Political Economy* that the body will make adjustments to accommodate a foreign object like a bullet when it cannot expel it. It is the same in economics: erroneous structures are built in order to uphold more deep-seated errors. Georgists, alas, are not immune to this tendency.

Land value taxation applies where land is exclusively held. To accommodate this fact, advocates of congestion charges assert that those who use common land are using it exclusively. But, clearly, those who use common land are not asserting any legal right to exclude others. To say that they are depends upon using the term ‘exclusive use’ in a different sense. Once they leave the physical space they are occupying on common land, others are free to use it without their permission.

Another way to accommodate theory to enthusiasm is to assert that common land is public land. Thus, it is argued, we use common land with the permission and upon conditions laid down by the public. It may charge for access to valuable public land, and those charges are a form of land value taxation.

But, reverting to first principles, it is clear that land is not owned, either by the individual or the public. However, under the concept of public ownership, the right to use the earth no longer belongs to the individual but to a collective called the public. If everyone in the community has an equal right to be on common land, access to it can hardly be made subject to a charge.

The ‘single tax’ approach constrained George’s teaching to a fiscal reform in the pursuit of wider academic and community support. That approach, it was argued, was at the expense of George’s more fundamental teachings — and, one might add, its primary thrust. Finally, it was argued, by the early 1900s its leaders were burdening the movement with error.

In a similar way, in today’s search for academic and popular support, considerations of expediency, rather than principle, are leading the movement into error and drawing it away from its proper focus upon the remedy to poverty.

Notes

1. Wenzer, K, *Anthology of Single Land Tax Thought*, V. III, pp. 253-54
2. Wenzer & West, *The Forgotten Legacy of Henry George*, Emancipation, 2000, p. 50
- 3, Wenzer & West, *Op. Cit.*, p. 85
- 4,5. Wenzer & West, *Op. Cit.*, p. 80