

# THE SINGLE TAX

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**SINGLE TAX, The,** a name given to a reform proposed by the American economist, Henry George, in his book *Progress and Poverty* (1879). George's proposal was: "To abolish all taxation save that upon land values." This was developed not merely as a fiscal reform, but as a method for applying a more far-reaching social reform, the aim being to establish equal rights in land for all men and to raise wages.

**Theory.**—The purpose of *Progress and Poverty* was to explain the paradox of poverty accompanying progress, and to solve the riddle of industrial depressions alternating with boom periods. George saw the answer to both problems in the monopolization of land (in its widest sense, including natural resources) by a few. The rent of land increases with material progress, said George, and landowners reap the benefit while the wages of the landless are pressed down. Rising rent encourages land speculation, which accelerates the process, and leads to such high speculative rents that some labor and capital, unable to pay these rents and still employ themselves at a profit, stop producing—in short, a depression occurs. Though George recognized other proximate causes of depression, such as monetary and credit situations, he maintained that land speculation was the basic and ever-present cause.

As his remedy for poverty and depressions, George said, "We must make land common property," but he proposed to leave land titles undisturbed and to take, instead, the rent of land through taxation. Land rent, George further argued, is peculiarly a social value, and is thus the natural source of public revenue; earned incomes ought not to be disturbed by taxation. The underlying philosophy of the single tax is "association in equality"; the freedom of the individual bounded by the equal freedom of others; "a free field and no favor."

The term "the single tax" was not used in *Progress and Poverty*, but came into use some 10 years later. Actually, the name harks back to the *impôt unique* of the French physiocrats of the 18th century. They, too, visualized one tax upon land only, but George knew little of their work when he wrote *Progress and Poverty*.

**Present Day Applications.**—In practical application, Henry George's single tax idea has made some progress in numerous places the world over, seldom in its pure form, more often in partial applications and approaches.

In the United States, there are some single tax colonies or "enclaves," the two leading ones being in Fairhope, Ala., and Arden, Del. The land is not sold, but is let out on long-term leases with payment of rent to the community. In Pennsylvania, the cities of the second class, Pittsburgh and Scranton, levy taxes on land at twice the rate of improvements. In 1951, a bill was passed, in Pennsylvania giving third-class cities local option in levying land-value taxes at a higher rate than improvements. In California, the irrigation districts operate on a principle along single tax lines. Throughout the country, a Henry George influence appears in real estate assessment and tax procedures, and in federal homestead legislation.

Certain cities of western Canada tax land values more than improvements. The rich royalties on oilfields now coming into the provincial gov-

ernment of Alberta are largely the fruit of Geor-  
gist-inspired legislation in the early 1900's. In  
Australia and New Zealand, many municipalities  
tax land values and not improvements. Since  
World War II the system has spread. South  
Africa also has some municipalities on this system.

Denmark has a national land-value tax (called  
*grundskyld*, or ground dues, rather than a tax),  
as well as many local land-value taxes. Denmark  
also has a political party pledged to single tax  
principles, known as the Justice Party (*Retsfor-  
bund*). A Danish royal commission was appointed  
in 1933 to study the possibilities of full land-value  
taxation for Denmark, and issued its report in  
1954. There was a recommendation to apply full  
land-value taxation eventually, but a compensa-  
tion payment to landowners was also recom-  
mended. (Compensation is disapproved of by  
single taxers.)

The Jewish National Fund purchases land for  
Israel, which is then not sold but rented to settlers.  
While this is not a strict single tax measure, the  
influence of Henry George figures in the land sys-  
tem of Israel. A Geor-  
gist influence also appears to  
be present in the land reform of the Philippines.

**Earlier Efforts.**—Some past efforts toward  
single tax legislation are also worth noting. In the  
United States, Joseph Fels, the soap manufacturer,  
put considerable money into a state-by-state cam-  
paign to put over the single tax, but without suc-  
cess. In 1938, an amendment was introduced in  
California by Jackson Harvey Ralston, proposing  
to repeal the state sales tax and to substitute a  
land-value tax, but it was defeated.

In England, the then dominant Liberal Party  
(under Winston Churchill, David Lloyd George,  
and Lord Herbert Henry Asquith) presented a  
budget in 1909-1910 calling for a valuation of all  
the land of England with a view to taxing it. The  
opposition of the House of Lords defeated it, al-  
though one result was that the political power of  
the Lords was thereafter curtailed. In 1931, Philip  
Snowden introduced a similar bill, and though it  
was passed this time, it was shelved and forgotten  
in the political and economic crises of those days.

Before World War I, Germany, seeking to  
prove itself a capable colonial power, started to  
introduce the single tax into its Chinese colony of  
Kiaochow with a view to making it a model col-  
ony. There was in Germany, up to the time of  
Adolf Hitler, an active *Bodenreform* movement,  
under the leadership of Adolf Damaschke.

The liberals of Russia, during the shortlived  
regime of Aleksandr F. Kerenski, actually wrote  
the single tax idea into their new constitution, but  
this was swept aside in the revolution that followed.  
The influence of Henry George was very strong in  
pre-Bolshevik Russia, and he was the chief rival of  
Karl Marx. Leo Tolstoy was one of George's Rus-  
sian converts.

**Publications and Organizations.**—Besides  
legislative efforts, there has been since Henry  
George's day an active movement to promote the  
single tax philosophy through educational means.  
In the United States, there have been numerous  
organizations and periodicals. The longest-lived  
and leading periodical was the *Single Tax Review*  
(later called *Land and Freedom*), published 1901-  
1943. The Robert Schalkenbach Foundation in New  
York City was founded in 1925, and keeps the works  
of Henry George in print. The Henry George  
School of Social Science was founded in New York

City in 1932 by Oscar H. Geiger. Educational and  
nonpolitical, the school offers courses based on  
the writings of Henry George and other authors. It  
has branches in many cities in the United States  
and Canada, and courses by correspondence are  
also offered. There are similar schools in England,  
Denmark, Australia, New Zealand, Spain, and For-  
mosa. The school publishes a monthly, the *Henry  
George News*.

In England, the International Union for Land  
Value Taxation and Free Trade holds periodic in-  
ternational conferences and publishes a monthly,  
*Land and Liberty*. Other periodicals are *Terre  
et Liberté* (France), *Grundskyld and Vejen Fren*  
(Denmark), the *Standard and Progress* (Australia),  
and the *Square Deal* (Canada). Throughout the  
world today, there are perhaps a million single  
taxers.

**Arguments Con and Pro.**—A number of econ-  
omists (among them John R. Commons, Herbert J.  
Davenport, Harry Gunnison Brown, and Robert  
Murray Haig) have favored the land-value tax  
principle of Henry George, but not necessarily as  
a single tax. Criticisms of the single tax by cur-  
rent economists may be summed up as follows: The  
single tax was evolved in a period when great for-  
tunes were being made from land values; today, the  
income tax and other measures have acted as level-  
ers on these fortunes. Poverty is not so intense  
today, and wages are not tending to a minimum.  
The rent of land is not a large component of the  
national income and would be far from sufficient  
for today's heavy governmental budgets. Economic  
society has grown more complex and a simple  
analysis, such as George made, is inadequate.

The single taxer would reply to these criticisms  
as follows: However much or little the rent of land  
is, it should be collected by society, as a matter of  
justice. The income tax makes no distinction be-  
tween earned and unearned income. The rent of  
land is probably much greater than current esti-  
mates show, because it is often disguised in various  
forms (such as dividends), and because in many  
communities land values are not properly assessed  
at 100 per cent of true value. Wages and farm  
incomes have been artificially maintained by gov-  
ernmental props and supports, and by the constant  
pressure of labor unions; remove these, and the  
downward tendency would reassert itself. The  
single tax is the natural way to raise wages. Gov-  
ernments are notorious for having an unlimited  
appetite for revenue. The rent of land is the proper  
source of public revenue, and the government could  
and should learn to live within its proper income,  
just as individuals must. Without denying today's  
complexities, the single taxer asserts that land is  
still the foundation of economic society, and that  
the economic system must be sound at its base.

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