



Palgrave Entry on Single Tax

By Dr. Mason Gaffney

Article citation:

Gaffney, Mason. "Palgrave Entry on Single Tax." No date. The Palgrave Dictionary of Economics.

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SINGLE TAX

by Mason Gaffney. (Re-edited, 20 August, by the writer)

Single Tax is a generic label for the program of Henry George (q.v.) to socialize land rent. It is not an adequate descriptor but a slogan that caught on. It resembles "l'Impot Unique" of Quesnay (q.v., and below).

Specifically, the "Single Tax" slogan marked a shift in the movement after 1887 as George swung towards the Center after purging the Marxists from his United Labor Party, and losing union leaders Powderley and Gompers. He was losing his previous Irish-American support due to the hostility of Parnell and the Catholic hierarchy, and sought a broader middle-class base.

Thomas Shearman coined "Single Tax" to differentiate George's free-market program from others in the radical coalition of 1879-87. In the U.K. it distinguished Georgists from Wallace's land nationalizers, Hyndman's Marxists, Webb's Fabians, and Parnell's and Chamberlain's movements for peasant proprietorship.

George had originally striven for rent socialization and redistribution through augmented social spending. Critics on the Right saw too much taxation and leveling. The Single Tax slogan emphasized the counterpart benefit of relief from other taxes. Single taxers would remove state and local property taxes from buildings and movable capital, and lower most transit and utility rates, meeting deficits from the rent-fund. Critics on the Left now saw too limited a revenue. E.R.A. Seligman, a determined critic, attacked on both grounds.

The heavy national taxes in America were tariffs. With Protection or Free Trade? (1886) George attacked them. He supported Grover Cleveland in 1888 and 1892, hoping that free trade would force Congress to turn to land for revenues. Single Taxers in Congress succeeded in having the Income Tax Act of 1894 include land rent and unearned increments in the base, even though that was likely to be the grounds for its being held unconstitutional, and was. Single Taxers were seen as careless of revenue adequacy.

In Protection or Free Trade? George had restated the Physiocratic doctrine of tax incidence, while broadening it to include urban land. The doctrine says there is only so much taxable surplus to tap under any system, and most of it lodges in land rent. Single Tax was simply the way to tax this surplus without what is now called the excess burden of indirect taxation. This might refute the charge of inadequacy, but the point has not been widely understood, and some still question revenue adequacy.

Shearman invited more such questions when he went another step from the Left with his "Single Tax Limited", the upper limit being 2/3 of economic rent. George remained a "Single Taxer, Unlimited". He held that taxation is only a means to Justice, Justice meaning every infant has an equal right to the Earth. Government should not only collect rents but distribute them equally. Later Single Taxers forgot the last point and gave it up to welfare spenders in the New Deal era. They replaced "Single Tax" with "Georgism", and flirted with libertarianism, which A.J. Nock and Frank Chodorov equated with Georgism.

In Scotland/England George was active, although an alien, and well received by the radical wing of the Liberal Party. Single Tax made land reform a live issue in cities. It drew support from Cobden Clubbers, Wallace Land Nationalizers, unions, Fabians, and the Land Tenure Reform Association founded by J.S. Mill. But Single Tax continued to connote an extreme position which moderates disowned, even when Marxists denounced it, even when The Liberal Party put a land tax plank in its platform after Gladstone retired in 1895, and even when Liberals campaigned on "Internal Colonization", "The Land for the People", "Tax or Buy", and of course "Free Trade".

Liberals under Asquith and Lloyd George introduced a token land tax in their 1909 budget. The Single Tax shadow frightened Conservative Lords into intransigent obstruction that alienated voters and was used to consolidate power for Commons, Liberals and Lloyd George -- who then, however, temporized and bargained away the land tax. Labor re-introduced a land tax in 1931 under MacDonald and Snowden, but Neville Chamberlain, then Exchequer Chancellor, scuttled it finally in 1934. Postwar Labor Governments focused on urban land reform but abandoned Single Tax (in spite of supporters like Attlee and Cripps) as being too market-oriented and middle-class. They chose "Town and Country Planning" (q.v.) instead.

Henry George died in 1897. Single Tax remained a power in America for another generation. Leaders like Shearman and Louis Post sought to professionalize the movement and reconcile it with middle class values, a timely adaptation to the ethos of scientific management. Somers, Pollock and Zangerle professionalized land assessment. Lawson Purdy helped found the National Tax Association. The Progressive and New Freedom movements absorbed many Single Taxers and reflected some of their values.

A century earlier in the court of Louis XVI Francois Quesnay and his Physiocrats had advanced "l'Impot Unique", an even more limited single tax restricted to farm land, and 1/3 the rent. Like Shearman, Quesnay argued efficiency and laissez-faire, not redistribution or populism.

But there is a touch of class leveling inherent in any proposal to tax land directly, however balanced with the doctrine that landholders gain from removing other taxes. Physiocracy could beguile an "enlightened despot" dreaming of energizing a decadent gentry, and liberating his people from a jumble of enervating excises. It was the fate of Quesnay, and of France, that the privileged gentry proved more sensitive to Physiocracy's direct threat than others were to its diffused benefits.

Quesnay was closer than he knew to an age of populism; he might better have addressed the new constituency. Indirectly he did through his influence on Jefferson, transmitted through his disciples Pierre Samuel Du Pont and Destutt de Tracy; and through his influence on Smith, Ricardo and Mill, whose special treatment of land rent set the stage for George's Single Tax.

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