

TAXATION OF LAND VALUES AND PROPERTY IN LAND

The contention has recently been advanced by Mr. C. B. Fillebrown, of Boston, author of THE A.B.C. OF TAXATION and other notable works, that the taxation of land values does not infringe on private property in land and that it is undesirable that it should. It is also contended that Henry George was not opposed to private property in land, but merely to the private appropriation of land value. To quote from Mr. Fillebrown's A 1915 SINGLE TAX CATECHISM :—

Q. Did not Henry George believe in the abolition of private property in land ?

A. Assuredly not. If he did, why was it that he suggested no modification whatever of present land "tenure or estate in land" ? If he did, how could he have said that the sole "sovereign" and sufficient remedy for the wrongs of private property in land was "to appropriate rent by taxation" ?

Whether this be an accurate interpretation of Henry George or not, it is certainly in startling contrast with such statements as this : "Private property in land is a bold, bare, enormous wrong, like that of chattel slavery," and "We must make land common property." (PROGRESS AND POVERTY, Bk. 7, ch. 3, and Bk. 6, ch. 2.) On the other hand there is no disagreement between Mr. Fillebrown and any other follower of Henry George as to the practical proposal to impose all taxation on land values and dispense with every other source of revenue.

The question at issue is really not as to the desirability of land value taxation, but whether it will destroy private property in land. This again resolves itself into the question of defining what is meant by property in general and by property in land in particular. Mr. Fillebrown defines private ownership of land "as the proprietorship of the rights and privileges pertaining to the situation." "Property in land, ownership of land, in law, means tenure, holding, right of possession (subject to the sovereign right of taxation) and no more." (A.B.C. OF TAXATION, p. 98.) We venture to think that this is an inadequate definition. To say that property in land consists in "the rights and privileges pertaining to the situation" is simply to say the same thing in different words. What are these rights and privileges ?

Our greatest writer on jurisprudence, John Austin, defines the term thus : "Property or dominion . . . is applicable to any right which gives to the entitled party an indefinite power or liberty of using or dealing with the subject." (LECTURES ON JURISPRUDENCE, Lect. 48.) Thus a pawn-broker has no property in the pledges left with him. He has not an indefinite power of using them, but only the definite power of holding them until the owner reclaims them, or failing that until the property vests in himself when he may deal with them as he pleases. One of the best of recent writers on the subject comes to the conclusion : "It is difficult to do more than describe it (property) with Austin, as a right 'over a determinate thing, indefinite in point of user, unrestricted in point of disposition, and unlimited in point of duration.'" (T. E. HOLLAND ELEMENTS OF JURISPRUDENCE, p. 205.) It may be remarked that although the power of user is said to be indefinite, it is not said to be unlimited. There are many things which the owner is forbidden by the laws to do with the thing owned, but this does not make him any the less owner. I may for example be the owner of a shot-gun, there are an indefinite number of uses to which I may put it, but the law forbids me to fire it so as to injure one of my fellow citizens. This limitation of my power of user does not impair my property in the article.

To return now to the question at issue—it will be observed that the definition makes no mention of the value of the object owned. Value in fact is not the subject matter of

judicial science, only of economic science. This agrees with common usage which still regards a man as owner of a thing even if it be worthless, or to be more exact if it have no value in exchange. For the owner at least, if for no one else, the thing must have a value in use otherwise he would have no interest in maintaining his ownership of it.

In the case of land it is clear that although land-value taxation will, when carried to its fullest extent, practically destroy the selling value of land, it will not destroy its use value or usefulness. Land will still as before be the sole object on which we can exert labour in order to satisfy our desires. Neither will the taxation of land values destroy the indefinite power of user which resides in the owner. But it will set an additional limit to this power of use by preventing the owner from retaining the rent or yearly value, and it will thereby prevent him from abusing the land by holding it idle. This is the only diminution that will take place in the indefinite powers vested in the owner. He will still in the legal sense remain the owner.

Mr. Fillebrown's contention then is on the whole correct, if the strict legal sense of the term ownership be attended to. But the idea of value is so closely associated with the idea of ownership, that it must be emphasised that while the rest of the indefinite group of rights which constitute ownership will remain under the taxation of land values the right to the value of the land will vest in the public to whom it should rightfully belong. Further, the economic effects of the change will be such as to transfer the ownership now vested in a few into ownership by many. Thus there is in Mr. Fillebrown's contention no such reassurance for the present owners as his bald statement seems on the face of it to imply. If they hold only as much land as they are able to use adequately under the stimulus of the tax they will continue to do so ; if not they will be forced to let go. At the same time as the joint or common right of all to land value is secured, the equal rights of all to the use of the earth will be established.

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LAND TRANSFER

(To the Editor.)

Sir,—Our present system of title to land is so complicated that everybody has given up all hope of understanding it, and all business men just "leave it to their lawyer," and even *he* is often lost in the mazes of its intricacies which necessitate the obtaining of opinion of counsel. One actual example, given below, will perhaps be more convincing than general statements. I called on a lawyer friend of mine the other day, and found him dictating a letter about a microscopic plot of land in a famous Royal Burgh, measuring 13 yards long, along the street, by 15 yards deep. It has practically no value, except for the purpose of getting a good compensation from the Town Council, who required it to widen the street. It was a small tenement of dwelling-houses which was ordered to be demolished by the Town Council as insanitary. The lawyer showed me the title, which comprised 117 deeds. The first 39 deeds are ordinary sales from one person to another, or transfers of the property from father to son. Then the property was divided between two brothers, adding two deeds to the number. Then the owner of half of the old house got married, and signed a marriage contract in favour of trustees for his wife and children. At his death six deeds were required to secure the title of his children. Subsequently the following deeds were required to make up title to :—

David's $\frac{1}{4}$ <i>pro indiviso</i> share	..	..	2 deeds
Andrew's	..	..	3 deeds.
Stewart's	..	..	4 deeds.
Amelia's	..	..	3 deeds.