

### "BEGGARMAN OR THIEF?"

Commenting on the illuminating public reports of the Coal Commission, COMMON SENSE—a weekly Radical journal of repute, published and edited by an able journalist and keen student of affairs, but with a mind obstinately closed to the argument that land cannot justly be held as property, and that the value of land due to the presence and needs of the community belongs to the community as a whole—remarks (June 17th):

However wrong Mr. Smillie's political economy may be, it bears a close family resemblance to that of the Bolsheviks whom British troops and money are being employed to fight against in Russia and other far-off countries. As a specimen of the kind of thought now uppermost in many minds, I may quote a letter I have received from an enthusiastic taxpayer of land values. He suggests the following parody of the evidence:—

Q. Are you taking something for nothing?

A. Hum; yes.

Q. Are you a beggarman or a thief?

A. Mr. Chairman, must I answer?

This is very humorous. But if you begin *confiscating* property, why stop at mines, or land? Why not take shares, shops, furniture, etc., etc.? I have never been able to see any better way of equalising opportunity and at the same time acting justly than a system of graduated taxation.

To which the enthusiastic land taxpayer replied in the issue of June 24th:

You pretend to see an attempt at humour in the dilemma which I proposed for the coal-monopolists. That is a graceful and effective way of extinguishing anyone who has obnoxious views. If you had stopped there, I should have succumbed; but when you condescend to argue, my courage returns. You say: "But if you begin *confiscating* property, why stop at mines, or land? Why not take shares, shops, furniture, etc., etc.?" What has become of your super-acute sense of humour, that you should trot out that wheezy old war-horse again?

When you speak of "*confiscating* property," you mean—do you not?—arbitrarily, and therefore unjustly, taking something which rightfully belongs to individuals and putting it into the *fiscus* or public treasury. So by using those two words to describe the nationalisation of coal, you beg the question twice over. Without further argument you are in a position to shout: "Yah, Bolshevik!" at Mr. Smillie. Give a dog a bad name and hang him! That may do for magistrates sheltered under Dora's skirts, but is it fair argument? Sentence first and judgment afterwards! That is all very well in "Alice in Wonderland," but we look for something different in COMMON SENSE.

The coal which has been placed in the depths of the earth does not rightfully belong to individuals, but to the community. If "*confiscation*" is used in the simple sense of putting something into the *fiscus*, it properly describes the nationalisation of coal; but *not* if it is used in the underlined, opprobrious sense which you give to it, of unjustly taking away somebody's rightful property. Your condemnation of nationalisation depends on a surreptitious insinuation made possible by a verbal ambiguity. If "*confiscation*" is used in the opprobrious sense of taking what does not belong to you, it should be applied, not to the nationalisation of coal, but to its appropriation by private persons.

There is, of course, a third sense in which all taxation may be described as "*confiscation*." The State may have requirements for which it needs

money in addition to its own proper resources. In that case it takes by taxation what would otherwise be the rightful property of individual citizens. The point which you try to make when you say "Why stop at mines or land? Why not take shares, shops, furniture, etc., etc.?" involves a confusion of all these three different meanings of "*confiscation*."

When "*confiscation*" is used in the third sense and the operation intended to be described by it is a levy on the property of individuals, it is obvious that the levy should be as fair and impartial as possible, and that regard should be had to all the well-known canons, such as equality of sacrifice, ability to pay, measure of benefit received from the good government of the sovereign, etc. The levy should be on some such principle as the general average contribution towards salvage expenses. But this assumes that the levy is being made *in pari materia*—i.e., that the property of every citizen on which the levy is made is as much his own rightful property as that of any other citizen. This is not the case with the land and the stores which it naturally contains. Those resources are the rightful property of the whole community from generation to generation, and until they are nationalised and taken out of the category of private property, we have not got before us the proper conditions for an impartial levy on the private property of individuals.

Coal and land, which are the free gifts of Nature to the community, are different from houses and furniture, which are produced by labour and are the rightful property of individuals. I pass over the point that your classification is slipshod, and that most "shares" and all "shops" include land, whereas "mines" include structures and equipment which are not coal. It is enough to point out that private persons have not the same right—on grounds of history, morals, or public policy—to own coal or land as they have to own houses or furniture. The principle of equality of sacrifice only applies where all the contributors have an equal right to the property which they are called on to sacrifice. It is a proper criterion for testing the fairness of taxation when the community has no better right to levy on one subject-matter than on another. Discrimination in such circumstances might rightly be called "*confiscation*" in the opprobrious sense. But it does not follow that the nationalisation of coal and land is *confiscation* in the opprobrious sense. On the contrary, it is the failure to discriminate between coal and land on the one hand, and the rightful subjects of private property on the other, which involves "*confiscation*," in the sense of the wrongful taking of what justly belongs to someone else.

You first beg the question by assuming that all "*confiscation*" is unjust, ignoring the fact that it is just for the nation to confiscate its own rightful property. Then no doubt remembering that taxation is "*confiscation*" and is justifiable, you put forward what I call the general average principle as a criterion of its justice. That criterion is sound where it is a case of making a levy on what is otherwise the rightful property of individuals, and it would be proper to apply it if and when the nation is in possession of its own property and individuals of theirs, and it becomes necessary to levy a tax on private property. But this principle throws no light on the distinct question whether the nation has a just right to resume the ownership of coal and land. It is arguing from false premises to argue that the nationalisation of coal is unjust because it is contrary to the principle of equality of sacrifice. That principle can only be made to appear to affect the question of the nationalisation

of coal or land by confusing the two means of "confiscation"—(1) the resumption of its own property by the nation, and (2) the taking by taxation of property which otherwise belongs to individuals. In the first case, the question whether "confiscation" is just depends on whether the subject-matter rightfully belongs to the nation or to individuals; in the second case, it depends on whether the levy is made fairly and impartially as between the individual property owners. I hope I have succeeded in disentangling the questions which you have confused, and that what Professor Sidgwick called the "Morality of Common Sense" will lead you to agree that my answers to them are right.

The editor's reply to this criticism and exposition was as follows:

[Suppose a coal company's shares were owned by working men, would it be right for the Government to appropriate them without compensation? I am bound to say that I do not see much difference morally between confiscating a man's garden and confiscating his furniture or his books or his pictures.]

In the days of the anti-slavery movement we can imagine our editor replying to some abolitionist: "Suppose a number of slaves were owned by working men, including some widows and orphans, would it be right for the government to set the slaves free without compensation? I am bound to say I do not see much difference morally between confiscating a man's slave and confiscating his furniture, or his books or his pictures."

It is but so much more sophistry to bring the question of a man's garden into the case for distinguishing land from the produce of labour. Land taxers stand for the appropriation of the communal value of land, and they contend that with this plain policy in practice any man who wants a garden could have one, and all the furniture, books and pictures now denied him by the exactions and the decrees of a rooted injustice that drives so many to want and despair.—Ed., LAND & LIBERTY.

## RATEABLE VALUE AS THE BASIS OF PURCHASE PRICE

### Some Significant Resolutions

(The question at issue is discussed in another column, see p. 130.)

The Glasgow Town Council met on May 15th. With reference to the Land Acquisition Bill and the proposal that the value of land shall be taken to be the amount which the land, if sold in the open market by a willing seller, might be expected to realise, Councillor James Stewart (Townhead), seconded by Councillor M'Clure, moved approval. Councillor Jubb, seconded by Councillor Bruce Murray, moved that the Clause be amended to read: "The value of the land shall be taken to be the amount which the land, if sold in open market by a willing seller to a willing buyer, might be expected to realise."

On a division 10 voted for the motion and 10 for the amendment, and the Chairman, not having exercised his casting vote, it was agreed to refer the matter simpliciter to the Corporation.

Councillor George Smith (Labour) now moved

"that the value of the land be based on the rating value disclosed in the Valuation Roll."

Mr. Smith said that for a piece of land at Rosyth the Government had paid the Marquess of Linlithgow

its gross value for 18 years, which was four times the amount he should have got.

Councillor M'Bride (Labour) seconded.

Councillor Welsh (Labour) in supporting Councillor Smith's amendment, said he hoped the Corporation would see to it, that, having valued land at a certain figure for rating purposes, they were going to acquire it at the same value.

Bailie Wheatley said they had no intention of dealing unjustly with people who had invested their hard-earned savings in land. What they did want to do was to protect the honest citizen from the dishonest landlord. When they were acquiring land, a certain number of years' purchase, say, from 14 to 20, should be insisted upon.

Councillor A. Allan, in supporting the Labour amendment, said there was a great deal of waste land lying between Cathcart and Polmadie, as many of the members of the Council knew. Time after time there had been willing buyers for it, but there were no willing sellers in the Dixon Trust. Some compulsion must be used with the sellers.

On a division, Councillor Smith's amendment was adopted by 36 votes, 23 being given for Mr. Jubb's proposal, and four for Mr. M'Clure's.

At a meeting of the Manchester City Council on May 7th a resolution was adopted

"calling upon Parliament to legislate so that local authorities might be enabled by a simple and expeditious process to acquire land compulsorily for public purposes without compensation for compulsory purchase, and at a price based on the assessment for rating purposes."

The Acquisition of Land Bill was discussed at the quarterly meeting of the Huddersfield Allotment Holders' Federation, held in Huddersfield on April 26th. A resolution was unanimously adopted in the following terms:—

"Seeing there is no provision in the Land Settlement (Facilities) Bill for the purchase of land for allotments at reasonable prices, this federation of allotment holders in Huddersfield and district, representing 3,000 members, calls upon the Government to insert a clause whereby land can be compulsorily purchased at the value at which it is assessed for rating purposes, and further call upon the local members to use all their power to get such a clause inserted in the Bill during the Committee stages."

The Executive Committee of the National Liberal Federation at a meeting on May 22nd passed the following resolution:—

"That this Executive Committee protests against the basis of compulsory purchase of land as provided for in the Land Acquisition (Assessment of Compensation) Bill; declares that that basis should be the value of any returns and assessments for taxation made or acquiesced in by the claimant during the preceding three years, and calls upon the Government to give local authorities power to acquire land compulsorily at not more than 20 years' purchase of such assessments."

The Scottish National Congress promoted by the Scottish National Housing and Town Planning Committee, and held in Edinburgh on May 1st and 2nd, adopted a resolution, moved by Mr. Templeton, of Torr, Middle Ward of Lanarkshire, that

"the basis of value of the acquisition of land for housing, small holdings, and gardens for public