H. J. Rowling & Sons, Ltd. (T.U.), 36 York Road, Battersea, S.W.11

United Kingdom England

Price Threepence

LIBERAL GOVERNMENTS and the LAND QUESTION

Published by the

UNITED COMMITTEE FOR THE TAXATION OF LAND VALUES
177 Vauxhall Bridge Road, London, S.W.1. VICtoria 4266

4947

Liberal Governments and the Land Question

AT each annual assembly of the English Liberal Party the retiring president ceremoniously hands on to his successor in office a copy of *Areopagitica*, Milton's noble plea for honest thinking and free discussion.

The high standing of Liberal presidents precludes any possibility of their failing to realise the significance of this symbol of the party's identity with a long tradition and its claim to represent the unchanging principle of liberty. But whether the ceremony is to be an honest pledge of intention or merely self-righteous pantomime cannot be left for the leaders to decide. The principle of free thought forbids each and every delegate to surrender his judgment to any other person. He must distinguish for himself what is essential and what is secondary, he must judge debates not by authority but on the evidence, and he must decide how far policy accords with principle. And in the category of political questions none can be more essential than the land question. Common observation alone is necessary to realise that land is the first and ever-present requirement of human life and its monopoly, in the words of the Liberal Mr. Churchill, "the mother of all monopolies."

The land question has shaped politics from the beginning. It was John Locke who first supplied a political party with ideas in conformity with the spirit of Milton, and these ideas inspired the Whig Revolution of 1688. The country magistrates who composed the Whig Party were no doubt

actuated by the desire to save themselves from the bureaucratic domination exercised in neighbouring states, but the free institutions they established could not have endured without Locke's arguments for toleration. He convinced his countrymen that life was far pleasanter if you left your neighbour to go to the devil in his own way instead of appointing "qualified" experts, with compulsory powers, to plan his way to heaven. This made British communities everywhere a pain-in-the-neck to bureaucrats for some two hundred years. Only after prolonged recourse to socialistic expedients to allay poverty, consequent on failure to remove its cause, have we seen that manly spirit decay and liberal parties decline. And for that failure, neglect of the land question is responsible.

The Whigs emphasised Locke's dictum that "the chief end of men . . . putting themselves under government, is the preservation of property," but by ignoring its elements they made the name of property the basis of oppression. They ignored the implication, manifest in Locke's philosophy, that true property is not the ownership of land but the ownership of what man produces by his labour upon it; and "God gave the world in common to all mankind." The Whigs were landlords, their leaders great magnates whose influence was strong enough to challenge the power of kings; and their Tory opponents were landlords also. The Whigs would have been more than human if they had remained immune from the corruptive influence of landlord and political power combined in themselves. This explains the failure of the first liberal party.

Whig governments steadily exploited the Tory Act of 1672 which exempted landholders from feudal dues and they progressively transferred the burden of taxation from land to the products of labour: a method of raising revenue which immediately opened tempting prospects to trade monopolists. The possession of landed property was made a necessary qualification for a Member of Parliament and by hundreds of private Bills Members enclosed the common land in favour of themselves and their friends. By the end of the eighteenth century the free peasantry of Britain were driven overseas or into urban slums—overseas to plant hatred of England, at home to compete against each other for employment at starvation wages. This, to Whig orators, was still "liberty" and the landless pauper, kept

just alive by a tax on houses, and taxed himself even on the pitiable articles of his own consumption, was still a "free-born Englishman." This is not ancient history. Shorn of the euphemistic terms since coined to conceal it, the essential factors of this situation still challenge Liberals to-day.

It is not surprising that by the end of the century the suffering masses began to import ideas from the Continent where, under more bureaucratic regimes, socialism was the inevitable tendency. Fortunately for England the handful of Radicals in Parliament, backed by eminent liberal thinkers, offered an alternative to both landlord parties. These progenitors of the Liberal Party realised the value of self-reliance better than the Whigs, and they knew it must be based on *economic* liberty. To challenge land monopoly, even in words only, was a penal offence; but trade monopoly had no such immunity and Radical attention turned in that direction. Ridiculed in Parliament the Radicals turned to their countrymen at large and in this stirring controversy Richard Cobden, who always refused political power, emerged the leading figure. By sheer force of sane argument on economic questions he showed that common sense was not only compatible with generous feeling but the only honest way in which it could be applied. Eventually the overwhelming demand of ordinary folk shattered the seemingly impregnable fortress of privilege. And the Free Trade revolution liberated not trade only but a vast reserve of spirit and energy which carried Great Britain to the highest point of influence in its long history.

In this process, without realising it, Cobden and his friends prepared the foundations of the Liberal Party. They educated their audiences in the simple elements of political economy, the essential axioms which are to-day almost ignored.[1] Every intelligent listener went away capable of

[1] The clear terms of the economic arguments in Cobden's speeches and the pamphlets of the Anti-Corn Law League are in sharp contrast to the language used by economists to-day, even when writing in newspapers, e.g. "In passing, the authoress grapples again with the concept of capital intensity. She also experiments with working with open polygons, instead of with the smooth curves economists usually prefer." Review in *Manchester Guardian* of a book on The Accumulation of Capital.

expounding liberal principles to others and showing the solid advantages to be obtained by their adoption. The electors did not ask party leaders to supply them with a policy, they demanded a party to put the policy into practice. And as the beneficial effects of reducing only some of the Protective tariffs became apparent politicians began to trim their sails. Disraeli claimed that the Tories had really been Free Traders all the time; but public opinion preferred to trust his rival, Peel, whose loyalty to truth, as he saw it, had disrupted the Conservative party and wrecked his own career. After Peel's death the growing movement brought the Peelites, the Radicals and the Whig remnant together under the brilliant and inspired Gladstone: the statesman who taught his countrymen to recognise public finance as the test of every honest man's patriotism. And this alliance became the Liberal Party. This method of building up a party on elementary economic education is worthy of consideration by party organisers to-day.

The Liberal Party has no reason to blush for its Radical founders. If the present generation of Englishmen, in their fear of having to rely on themselves, are content to leave their country a prey to the astute parasites who delude them with the bait of artificial security, until it falls victim to some more virile race, a future historian, seeking evidence of the spirit which made a small country so great, will find it in the demands which the Anti-Corn Law Association addressed to Parliament. "We do not seek for privileges or immunities at the expense of other portions of the community. Whilst demanding the total repeal of a law which *professes* to protect the agriculturist, we are bound in fairness to call for the removal of all duties imposed for the purpose of affording protection to ourselves. We do not ask to depend upon the fostering hand of monopoly and privilege, we boldly tell our industrious countrymen that labour is the price at which every earthly boon must be purchased."[2] What other great country, we wonder, can show in its archives such a manly declaration as this, made not by an orator for passing impression, but by tens of thousands of traders, manufacturers and artisans calling for immediate action?

[2] Address of the Manchester Anti-Corn Law Association, 1839. (Italics ours)

After the repeal of the Corn Laws liberal arguments continued to speak for themselves in every rise of wages, every cheapening of commodities, every decline in the statistics of crime and pauperism. In his first great period of office, 1868 to 1874, Gladstone boldly reduced taxes, paid off debt, cut government extravagance and carried several reforms in other spheres. But with the triumph of Free Trade and the resulting prosperity the party had lost much of the ardour for economic reform which had been its bond of union and had made its popular appeal. No Liberal was more alive to this weakness than Gladstone himself. The idea of some striking financial measure "to lift the party in the public view" was in his mind but he could think of nothing adequate to the situation.[3] If he could have repealed the income tax, as by rigid economy he almost succeeded in doing, the course of history might have been different. Land-value taxation could have provided the alternative. When the Liberal government fell in 1874 Gladstone retired from leadership. He was recalled later but for thirty years afterwards his party never enjoyed real power.

COBDEN was the least complacent of Free Traders. He, in common with all others at that time, knew very well that the favours to farmers did not stay with them but eventually gravitated into the pockets of owners of valuable land. And he knew just as well that with the coming of Free Trade, speculators were rushing to buy land in the neighbourhood of the ports and manufacturing districts. Did it never occur to him that here was a monopoly deeper even than monopoly of trade: a monopoly capable of strangling production at its source and precipitating those trade recessions which are as devastating as war itself? Passages in his later speeches suggest a growing suspicion that the questions of land and trade were interlinked; in the last of them (1864) he said "If I were five-and-twenty or thirty . . . I would take Adam Smith in hand . . . and I would have a League for free trade in land just as we had a League for free trade in corn . . . and if it were taken up on politico-economical grounds, the agitation would be certain to succeed."[4]

[3] Letter to Lord Granville, January, 1874.
[4] His references to the land question were so disturbing that *The Times* reported him as advocating expropriation.

Cobden died before he could give further explanation but if English Liberals had been inclined to forget his words the bitter impact of the Irish land agitation soon came to remind them. When Henry George visited England in 1884 nation-wide controversy was engaged and the land monopolists in the House of Lords, who had done so much to frustrate every Liberal reform, felt the basis of their power was shaking. Tempted as men always are who argue not for truth but to defend a privilege, they attacked George's proposals in the only way they can be effectively attacked, namely, by misrepresentation. He was a "land nationaliser," a "wild socialist," a "confiscator of property." The same epithets were levelled at Mr. Churchill, afterwards, when he advocated land-value taxation so effectively (and he has never specifically repudiated it) but such methods can never be finally eliminated until society regards intellectual dishonesty—which affects the lives of millions—with the same disgust with which it now regards a thief who robs a wealthy person of a few pounds.[5]

But if anything could have killed these imputations it was George's *Protection or Free Trade* which appeared in 1886, just when the public conscience was so disturbed at the festering poverty that socialism was reviving and Protectionists were emboldened to present exploded fallacies under the new title of Tariff Reform. Free Traders could provide no explanation for the poverty and their negative arguments, however sound, were not enough. George's book—lucid, persuasive, unanswerable—supplied the languishing Liberal Party with the positive proposals exactly suited to its situation. At the Fourteenth General Meeting of the National Liberal Federation in October, 1891, the party adopted the celebrated "Newcastle Programme" from which members afterwards dated its resurrection. One resolution, moved by Sir Wilfrid Lawson and seconded by the Rt. Hon. H. H. Fowler, endorsed with enthusiasm a demand for "the just taxation of land values and ground rents". The same meeting demanded, significantly, "the mending or ending of the House of Lords." Liberals had regained the sense of common purpose they had begun to lose twenty years before.

[5] Liberals will recognise the similar disregard for truth now evident among agents of electoral privilege.

The party had still to suffer the tribulations of disputed leadership but when (1899) the choice fell on Sir Henry Campbell Bannerman, the least ambitious of all candidates, the rank and file knew they had an honest man who through all vicissitudes had remained true to a party whose supreme task was, in his eyes, the destruction of privilege: a politician violently hated by his opponents for his opinions but so respected for his character that they wished to elect him as Speaker. "You are not nearly so glad to see me here as I am to be among keen land reformers," he said to a great gathering. At the election held in December, 1905, the long spell of Conservative power was broken. In 1906 the Liberal government took office with a majority of 170 over all other parties combined.

THE impression is sometimes given that this historic election turned mainly on the promise of Welfare legislation and as Conservative governments warmly promote such measures the differences between the two parties are trivial If this impression is true it is surprising that the Liberal leader was quite unaware of it at the time. His speech immediately after the poll was declared shows that he regarded the result as pre-eminently a triumph for the principle of freedom of trade and production, and also an opportunity to amend the land laws. It is surprising also to think that the Conservative leaders, usually so astute, should have allowed themselves to be defeated by opposing the paternalist principle always known to be inherent in their own philosophy and which threatens none of the interests on which, it is generally believed, all Conservative parties depend. Only in 1884 Herbert Spencer, provoked by some mildly paternalist regulations supported by Liberals, had denounced this as "The New Toryism" in a book widely circulated and often re-printed. It is surprising also that, years after the great contest Conservative newspapers should still be denouncing the "wild election cries" about land taxation, which stampeded the voters and now threatened to "disorganise the whole social system." "No cry was so popular before the General Election as the Taxation of Land Values," writes an irate Scottish correspondent to *The Times*, May 24th, 1907. "It has a pleasing sound to people," comments the leading article, on the same day, "at such times men do shout for things they have not examined." But the House of Lords, then

fighting tooth and nail to prevent any valuation being undertaken, was not in a hurry to give electors any information to help them to examine the measure. It would have been awkward to allow an impartial valuation to reveal the existence of a fund of hundreds of million pounds of revenue available without imposing a penny on producers' costs, or taking a penny from wages or salaries.

It is true that paternalistic measures, called "social reform," evoked controversy during this period but it was not until after Campbell Bannerman's death (May, 1908), when the Lords' opposition seemed immovable and many Liberals were exhausted by the struggle, that some leaders tended to try offering "ninepence for fourpence" as an easier way of winning support. According to Ramsay Muir, in *A Brief History of our own Times,* it was always land-value taxation which "aroused the most furious controversy" and "evoked the most passionate feelings."

IN 1906 the Glasgow City Council, with the support of no fewer than 518 local authorities, presented a petition to Parliament to allow local authorities to levy rates on site values only. This encouraged the Liberal government to present a Land Value Taxation Bill for Scotland which, after the approval of an overwhelming majority, was referred to a Select Committee and carried finally by the Commons in August, 1907—only to be rejected by the Lords. Carried again by the Commons in 1908 it was so mutilated by the Lords that its sponsors abandoned the now futile measure. They hoped to circumvent the Upper House by incorporating the principle in the Budget of the following year. It did not seem likely that the Lords would violate a constitutional precedent of 200 years by rejecting a measure on which the whole operations of government depended. By now, however, the long battle had revealed the existence of weak brethren in the ranks and land-value taxers had to compound for so many modifications that the Bill entailed no immediate application of the principle. It did, however, stipulate that a valuation must be made and for this reason the Lords rejected the "People's Budget" of 1909, thus provoking, *vide* Ramsey Muir, " the most exciting constitutional issue since 1832," and necessitating the general election of January, 1910. Confronted by the tremendous indignation

they had aroused the Lords, later that year, passed a law so cumbersome and intricate that they could have had reason to hope it would prove unworkable. If so, their hopes were realised. The absurd attempt to apply five different types of valuation made it necessary to introduce a Revenue Bill in 1914 to define site value more accurately. Then came the War, all reform was arrested, and soon the last Liberal government, on the threshold of achieving the greatest liberal revolution in our history, ceased to exist.

Political wisdom, by removing the last and greatest restraint on production, might have placed at the disposal of the British people advantages fully equal to the accidental proximity to natural resources which has now given world leadership to Russia and the United States. And the opportunity for wisdom is still there.

Since that time Liberal assemblies have continued to affirm their support of land-value taxation and free trade; but a new generation has grown up unaware of the cardinal importance of these subjects in themselves and the part they have played in some of the most memorable and inspiring periods of Liberal effort in Great Britain. It is no reproach to a free party that all members are not exactly of the same opinion, provided they always try to reach accord by honest and free discussion, excluding nothing on hearsay only. In the present stagnation of political ideas such a party, concentrating on the deepest of all social evils, has the opportunity of rendering immense service to the Western world.

Six years before the last great Liberal "come back" one of its leaders* declared: "I am sure of this: when you take such a question as the taxation of land values, the party which first masters that question, which first makes it its own . . . that party will have a great and solid ground upon which to appeal to the country."

---

* Sir Edward Grey.