

## THE LANDLORD'S LEECH-POND

### Mr Lloyd George on the 1896 Act

(According to the newspapers, *Liberals in the House of Commons under Mr Lloyd George's leadership, expressed the view on 14th November last that taking local taxation off agricultural land would "prove of benefit to the farmer." Of all that has been said to refute that contention nothing on record is more trenchant than Mr Lloyd George's exposure of its fallacy when the policy of rate-relief was first started. The following extract of his speech on the Second Reading of the original Agricultural Rates Act is taken from the official Parliamentary Debates, 30th April, 1896. The speech applies to-day. A. W. M.*)

Mr D. LLOYD GEORGE (Carnarvon) said\*: That only two arguments had been put forward in support of the Bill—the first, that it was unfair to rate land on a different standard to that applied to personalty; and the second that agriculture was so depressed that relief was necessary. With regard to the first he would point out that there was this difference between the two kinds of property—personalty was the creation of the industry of its owner; land was not so. Land had not been improved materially by the owners of the soil. His second point was that the burdens proposed to be relieved were only a commutation of the much heavier burdens which were originally imposed on the land.

At one time the military burdens rested on the land, and also the burdens of law, justice, and police. Suppose the land still bore the heavy burdens to which it was originally subjected, it would have to bear ten times as much as the three or four millions now imposed on it for the poor-rate. He knew very well that the argument was used that it was unfair to reimpose burdens on the land because it had changed hands; but that argument was applicable also to the burden of the poor-rate, for the vast majority of estates had changed hands subject to that burden, and the purchaser had got it the cheaper by the capital value of the burden upon it.

Since the burden of the poor-rate had been placed on the land, the value of land had enormously increased. That was owing to nothing done by the owners or occupiers of the land, because the land was no more productive now. What was it, then, that had increased the value of the land so much? It was the trade and industry which had been created in the towns. . . . Yet it was proposed to tax the industries of the country which had thus increased the value of land for the purpose of relieving agricultural land. Hon. Members on the other side of the House . . . contended that the Bill was brought in for the purpose of relieving agriculture; but he contended that the relief was not for agriculture at all, but for the landlords, and for this reason. It was known for a fact that if this relief were not extended to the land, rents would inevitably go down.

If agriculture was really sinking under its burdens, one would have thought that the first thing done would be to relieve the burdens which weighed upon it. The burden per acre on land for rent was 25s., and the burden per acre for rates was 3s. 2d. Was it not common sense to relieve the bigger burden first?

Take the case of accommodation land. The landlord bore the rate himself, and the relief would go straight into his pocket. In a small town with which he was acquainted, with a population of 1,500 or so, the rent of accommodation land was something like

\* At that time speeches of others than Ministers were usually printed in the Official Report in the third person.

£1 an acre some time ago. It was now £4 per acre. Why had it increased by £3 per acre? Not on account of anything the owner or occupier had done, but purely owing to the fact that the town had increased in prosperity. In one case he knew of, a landowner in the neighbourhood of a town had derived benefit to the extent of £3 per acre from improvements that had been made out of the rates, and yet now he was to be relieved to the extent of half the rates on his improved property. He characterised this proposal as a gross injustice to the taxpayer. He knew of another case in which the owner of a field which at one time brought in a rent of £1 per acre now obtained a rent of £40 for it in the shape of ground rents.

This Bill proposed to tax the already overtaxed people in order to enable the Treasury to halve the rates of the landlords. His contention was that the whole of this so-called relief to the agricultural interest would go into the pockets of the landowners.

There was no ground for the sympathy which hon. Members opposite accorded to the landlords. But let him ask, how was it that the farmers managed to pay their rents? A witness who gave evidence before the Welsh Commission, who was Earl Cawdor's agent—that noble Lord was a good landlord; the rack-renter did not come before a Commission in order to be cross-examined, and, therefore, it was only those who represented the best managed estates who appeared as witnesses before it—that agent stated that the farmers were paying their rents out of capital, and that they had to apply the wages of their farm servants to pay their rents. And yet the landlords came to that House and asked for relief when they knew that their rents were paid by the wages of the farm servants. But the landlords said they were not asking for relief for themselves, it was for the distressed farmer. It was the old professional beggar's trick—they pretended to beg for others, and the moment the charitable person's back was turned the stalwart ruffians spent the money in the nearest public house.

The taxpayer of this country ought to put an end to this shameful business. The time had come for plain speaking on this subject. . . . He found that, by taking the aggregate rentals received by the Ministry who came there to plead the cause of distressed agriculturists, they would benefit by this Bill to the extent of £67,000 per annum. . . . Taking the capital value of their land, the Ministry would benefit to the extent of two and a quarter millions by this Bill. And all this was done to relieve the distress of the farmer. Having bled the farmer to the last drop of his blood, the landowners were now seeking to bleed the taxpayers, who were to be driven into the landlord's leech pond.

*Pitmans' Journal of Commercial Education*, 10th November, states in "Personal Notes": "Mr C. Morley, P.C.T., of Welwyn Garden City, was the official reporter of the reception and dinner held to celebrate the 21st anniversary of the formation of the United Committee for the Taxation of Land Values. His verbatim report appeared in the September number of *Land & Liberty*."

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