

EARL OF PEMBROKE AND THE BUDGET.

Speaking at a Unionist Meeting held in Bemerton (Salisbury) Schoolroom, on October 22nd, the Earl of Pembroke said:—

The Government had selected two classes of persons who were to be taxed under the Budget in order to meet the deficit which had been brought about by their own policy. The two classes were the landowning class, and those who had made a perfectly respectable and perfectly honest living in the manufacture of beer and spirits, in retailing those drinks and in keeping hotels, inns and public-houses. Why did they select these two classes, and these only, to impose ruinous taxes upon? He could only come to the conclusion that it was done to repay those two classes for the opposition they gave to the Radical party at the General Election. Lord Pembroke went on to say that he did not like to be personal, but he happened to own a large property in Wiltshire, and he might take them all into his confidence and tell them that though he succeeded to it in 1895 he had never since had a single penny paid to his bankers. And he might also tell them that his predecessor for many years before his lamented death was in the same position. The whole of the income from the property in Wiltshire went back, so far as he was concerned, or the bulk of it went back in the district, and he got no profit from it at all. He thought it well to tell them that. He was sorry for it, but he was not ashamed of it. That showed them that the man who inherited land was not necessarily rich. On the other hand, if he had the value of the land in Consols he would be a very rich man.

Lord Pembroke strongly condemned the death duties. He said the proposed increase of those duties was the most wicked proposal of the Government.

His Lordship was scathing in his comments upon the proposed valuation of land, declaring that it would cost from ten to twenty millions of money. He said it was a mad, socialistic theory. It sounded very well from the top of an inverted tub, which was the place which Mr. Lloyd George ought generally to occupy, but so far as practical working was concerned it was the greatest nonsense in the world.

Another interesting passage in the speech was that in which the speaker said that the only way of bringing in the needed money was to tax imports and luxuries. He would not tax those necessary goods which we required, but could not produce ourselves. He advocated a tax of ten per cent. on goods which we could produce ourselves.

MR. G. N. BARNES AT GLASGOW.

A meeting of electors in the Blackfriars and Hutchesontown Division of Glasgow was addressed on November 8th in the Wolseley Street School by Mr. George Barnes, M.P.

Mr. Barnes said the past session of Parliament had shown that we were still living under landlordism, and the forthcoming election would, he remarked, prove whether the people of this country had lost their courage and their political capacity. He was in favour of the Budget. There were some of his friends, for whom he had the utmost respect, who differed with him on that matter. Many of them looked upon the Budget not so much from the point of view of its merits as from the point of view of the demerits, as they thought, of those through whose hands it came. In effect they said that no good thing could come out of Judea. Personally he thought they would have been wiser if they had recognised what the Budget did—that it applied new principles in regard to land, and pushed forward other principles for which they themselves were largely responsible. Discussing the details of the Budget, Mr. Barnes expressed the view that the direct taxes ought to have been heavier and the indirect taxes lighter. Regarding the land taxes, they would, he proceeded, now have for the first time for many hundreds of years what might be called a domesday book, in which after a properly conducted examination there would be found the value of the land, and how much of that value clearly belonged to the community, and was of such a character as ought to be further taxed for public purposes. (Applause.) It would probably be said that they were setting up a costly machinery, and that very little would be got out of the taxes on land. He hoped, however, that they would be sufficiently intelligent to see there was not much in that argument, because once land values were ascertained they did not require to do it over again, and after two or three years all the income from the land tax would be clear income going to the Exchequer. They had by this tax got landlordism

on a slippery slope, down which it would inevitably slide to the bottom. (Applause.) This was a first step which would inevitably lead to the rating of land values for local purposes, thereby easing the terrible load of local rating at present resting on the shoulders of the workers and shopkeepers. Having reviewed other features of the Government's financial proposals, Mr. Barnes stated that the Budget provided an effective alternative to Tariff Reform.

MR. CHURCHILL AND THE LORDS.

Mr. Winston Churchill, at the Colston Anniversary Gatherings of the Anchor Society, at Colston Hall, on November 13th, said:—

We are forced to believe that the Lords have resolved to reject the Budget. I think it is clear that THE TIMES and the DAILY TELEGRAPH, the principal organs of the Opposition, have received positive information, just as they did four years ago before Mr. Balfour's Government resigned. My own information, such as it is, seems to confirm these assertions, and, unless wiser counsels prevail, we are . . . upon the verge of most important events.

For six months the Budget has been before the country. Upon the work of examining the Budget hundreds of Members of Parliament, each of whom is responsible for a constituency upon the average of about 10,500 electors, have been engaged all this time, and have sacrificed cheerfully their leisure, their health, and in two cases it might almost be said have sacrificed their lives.

THE LORDS AND THE BILL.

Now we are at the end of that long job. The Budget Bill has left the House of Commons; it has left it in its final form. (Loud cheers.) All that has been done, and now we are told that it is to count for nothing—(cries of 'No!')—that the fruits of all this toil and perseverance, of all this knowledge and authority, all this immense and well-informed discussion, are, after a few perfunctory hours of speech-making, to be swept incontinently out of existence by a House of hereditary lords—(laughter)—a small proportion of whom, no doubt, have some general acquaintance with the provisions of the Budget—(laughter.)—but the vast majority of whom do not understand either the proposals or the arguments by which those proposals are advocated or opposed, and the great majority of whom have certainly not taken the trouble to read the Bill they are about to destroy. I ask you first of all this evening to consider that fact with the attention it deserves. When you consider on the one hand the prolonged discussions in the House of Commons, and on the other hand the swift contemptuous rejection which we are told awaits the Budget Bill in the House of Lords, I say without hesitation that the elected representatives of any democracy have never been treated with more presumptuous contumely. There is no precedent of any kind for the rejection of a Budget Bill by the House of Lords in all the long annals of the British Parliament, or, before that, in the still more venerable annals of the English Parliament. The custom of centuries forbids their intrusion upon finance. (Cheers.) The opinions and the judgments of all their most famous statesmen, all the great men who have led the Tory party, concur in recognizing the sanctity of that custom. Lord Chatham, Mr. Pitt, the Duke of Wellington, and the late Lord Salisbury, all may be cited as declaring in unequivocal terms that the House of Lords have no right to interfere with money Bills. (Cheers.) Those pronouncements even increase in definiteness as they become more modern. The latest declaration is the most emphatic. Only a year ago, almost to the month, Mr. Balfour—(groans)—the leader of the Opposition, spoke at Dumfries and used these words—I wonder what he thinks of them to-day?—(laughter):—'It is the House of Commons, and not the House of Lords, which settles uncontrolled our financial system.' The rejection of the Budget cannot be justified, or even excused, by alleging any circumstances of emergency at the present time. There are no circumstances of emergency. (Cheers.) Of course, rich people do not like being made to pay heavier taxes, any more than poor people; of course, licence holders do not relish the prospect of having to pay a larger rent to the State for the valuable monopoly they have hitherto enjoyed upon such easy terms; of course, the landlords do not like the idea of a valuation of land—(laughter and 'Hear, hear')—it will reveal the truth for the first time about the land monopoly. All that is quite

natural. (Laughter.) But if they believe, as they tell us they do believe, that the taxes are bad and will be found to be unworkable and unpopular in practice, and that the people are with them and will be more on their side the more they realize what our policy really means—if they believe that, there can be no necessity for the adoption of such a violent measure as the rejection of the Budget at the present moment.

Never since the triumphant passage of the great Reform Bill have the House of Lords and a British people met face to face at a general election. More than once in the 75 years which have passed since then the struggle has come very near; but always something, some compromise, some hesitation, some delay, has intervened to avert it. If what we are told should come to pass, nothing will avert it now. (Cheers.) There will be no hesitation, there will be no delay, there will be no compromise. (Prolonged cheers.) The nation must choose for itself. We await their decision with confidence; we do not base our hopes on party calculations, encouraging though these may be; we base them on our faith in the wisdom and genius of the British people, and on the power which that people have always shown to rise to the height of great emergencies, and to defend against invasion and insult the primary rights and freedoms of their race. (Loud cheers.)

PROFESSOR MARSHALL ON RATES AND TAXES ON LAND VALUES.

The following is an extract from a letter to THE TIMES of 16th November:—

My attention has only just been called to a statement on p. 11 of the BUDGET, THE LAND, AND THE PEOPLE, published in August last by the Budget League. Referring to my answers set by the Royal Commission on Local Taxation ([Cd. 9528] 1890, pp. 124-5), it is said that I 'recommended that there should be an annual levy of 1d. in the pound on the capital value of land which was worth up to, say, £300 an acre, and that land with higher site value should be made to contribute at a higher rate. . . . The Budget proposals are not so drastic.' The 1d. in the pound, or rather more for urban land, which I suggested was not an additional tax; it was merely a readjustment of the existing burden of rates, without any increase in their total amount. It therefore was not *in pari materia* with a new tax to be devoted to Imperial purposes.

In my view it was reasonable to levy heavy poor-rates, &c., on the 'public value' of land; that is, on 'its value as it stands after deducting for any buildings on it and any distinct improvements made in it during, say, the last twenty years'; but that the incidence of such heavy rates on new capital applications was a differential tax against the use of capital in agriculture, a use which deserved special encouragement; and upon the erection of new buildings in towns, a use which deserved no special discouragement.

I hold that the most important capital of a nation is that which is invested in the physical, mental and moral nurture of its people. That is being recklessly wasted by the exclusion of, say, some ten millions of the population from reasonable access to green spaces, where the young may play and the old may rest. To remedy this evil is, in my opinion, even more urgent than the provision of old-age pensions; and I wished the first charge upon the rapidly-growing value of urban land to be a "Fresh Air" rate (or general tax) to be spent on breaking out small green spots in the midst of dense industrial districts, and on the preservation of large green areas between different towns and between different suburbs which are tending to coalesce. I urged that it 'would not be really a heavy [net] burden on owners, since most of it would be returned to them in the form of higher values for those building sites which remained.'

In so far as the Budget proposes to check the appropriation of what is really public property by private persons, and in so far as it proposes to bring under taxation some real income which has escaped taxation, merely because it does not appear above the surface in a money form, I regard it as sound finance. It seems to me a Social Welfare Budget. I do not profess to have mastered all its details; but on the whole I incline to think it merits that name."

MR. BALFOUR AT MANCHESTER.

Mr. A. J. Balfour, speaking in the Free Trade Hall at Manchester on November 17th, said:—

I am going boldly to take what I am told is the popular part of the Budget—

THE LAND TAXES.

I am told that is the only popular part of the Budget—(laughter); those who like nothing else about the Budget like that. Very well. That is the very thing, therefore, that anybody who wishes to do his best to give his ideas to his countrymen ought to take irrespective of whether it is popular or unpopular. May I just say in a few sentences what I think about the tenure of this country? There are people who tell you that the land of the country belongs to the people. When you ask them what they mean by that you find they do not mean in the least that it ought to belong to the people of the country; they think it ought to belong to a department or some public office which is to manage the whole land of the country. In other words, the land of the country is not to belong to any individual in the country at all. I don't think that that is a reasonable way of looking at land, and it is not the way that any progressive community has ever looked at land. (Cheers.) Personally I think land ought to be in private ownership, and the wider that private ownership is extended the better. (Cheers.) I do not want all the land of the country to belong to the Woods and Forests. I want it to be distributed as far as possible in private ownership, that it should be held by individuals, that it should be regarded as a favourite investment by building societies, that it should be regarded as a perfectly safe way of investing benefit funds, that it should be regarded as a legitimate way in which friendly societies may invest those great resources which the thrift of the community has so happily committed to their charge. (Cheers.) And I wish also that the business in land should be, like any other business, freely transacted without perpetual interference by a department or a valuer or an inspector or anybody else. (Cheers.)

ANXIOUS TO INCREASE AGRICULTURAL HOLDINGS.

I am, of course, in favour of land being taken compulsorily if it is wanted for public purposes, and taken, of course, at a fair valuation; but the idea that you are going to improve the lot of any man in this country by destroying private ownership in land, or by endangering it, appears to me to be perfect folly. Look at it from this point of view. I am one of those who are most anxious to see small agricultural holdings greatly increased. What is one of the reasons why I am anxious to see that? I am anxious to see that form of ownership increased because the ownership of the individual carries with it a stimulus to energy and self-sacrifice which nothing else can. It is a great mistake to suppose that it is a matter of plain and obvious knowledge that the life of a small owner is easier than that of the plain agricultural labourer. It is much harder, but it has great advantages to those that feel they have within them the spirit of the agriculturalist and improver of the land, and let us help them by all means. Ownership, I regret to say, does not carry with it great hopes of immense profit, but the work, though laborious, is honourable, is independent, and is certainly in the interests of the community at large. I ask how are you going to assist the small agriculturalist, or indeed any other small owner—('By the taxation of land values.') There is a gentleman who thinks that the security of the small owner and his happiness in his holding will be increased by the taxation of land values. (Laughter.) I beg respectfully to differ from him. If you are really desirous and honestly desirous of encouraging this form of ownership do not subject it to special and invidious treatment at the hands of the Chancellor of the Exchequer. No man who really knows what he is talking about can say that the multiplication of small holdings, whether in town or country, can be promoted by the kind of legislation about land for which this Government have made themselves responsible; and if this is true of small holdings, surely it is also true of that other department of energy connected with land bought for business investment. I venture to say that no competent authority has ever suggested that the treatment which land near towns is receiving under this Budget will not diminish enterprise in that land, because it tampers with security. And do distinguish in your minds between two things that are perpetually confused by the advocates of the Budget. They say the taxation of land values for the purpose of rates has been recommended by a great many independent individuals, many of them Unionists.