

THE PEOPLE'S BUDGET
An Edwardian Tragedy

Geoffrey Lee

Henry George Foundation, 80pp, £6.00

GEOFFREY LEE is an experienced journalist as well as a thoughtful student of Henry George, and the combination bears fruit in this most readable and entertaining study. The book charts the course of the two attempts this century to introduce land value taxation as a permanent part of the United Kingdom's tax raising system.

As readers of *Land and Liberty* are only too aware, both attempts failed. Supporters of land taxation have been concerned to establish why ever since. This book sheds valuable light on the whole sorry history, and especially on the political and social backdrop to the tragedy.

Most of the book is devoted to the events surrounding the 1909 budget, which included a land tax element for the first time. As is well known, the legislation was poorly drafted, the land valuation programme was far too slow, and the tax was overtaken first by the Great War and then by post-war unemployment, which required more urgent measures. What is so fascinating is the political manoeuvring by the Conservative opposition, desperate to head off the tax proposals. We follow the plot through the correspondence between Arthur Balfour and Lord Lansdowne, exchanging tactics on damage limitation.

Later, the King gets drawn into the controversy over Lloyd George's threat to create a wave of Liberal peers to destroy the Conservatives' built-in majority in the House of Lords. We learn that the list of prospective Liberal peers ranged from Thomas Hardy to Lord Baden-Powell. These are key moments of British constitutional history, quite apart from being landmark events for Georgists,

and Geoffrey Lee brings them vividly to life. *Punch's* comments on the breathless press headlines of the day add to the flavour (for example: "Letting Loose Chaos" means "Allowing the country to be run for a few weeks by steady-going permanent officials instead of excited politicians".)

Each of the main protagonists - Lloyd George, Winston Churchill and Lord Lansdowne - is filled out for us in a biographical chapter. It is revealing, for instance, that Lloyd George "had a distinct personal prejudice against Tory landlords. As a poor Welsh village boy he knew about their power and had seen its effects on his community". Some of his most famous barbs were powered by this prejudice: "a fully equipped duke costs as much to keep up as two Dreadnoughts, and they are just as great a terror, and they last longer". But it seems as if this prejudice also made him less effective at promoting a workable land tax, a weakness which probably contributed to the failure of the tax as eventually drafted.

THE OTHER George in the story, Henry George, also gets a chapter to himself. It briefly tells his life story and explains his message, and it places him in the context of his time. It is familiar territory to Georgists, but freshly and accessibly described. For those of us who sometimes wish for a brief introduction to Henry George which will explain to friends and colleagues exactly why we think his system is the best unused idea this century, these fourteen pages may be the answer. Perhaps the Foundation might consider one day issuing this chapter as a separate pamphlet.

The coda to this lively history of

the 1909 budget tells the story of the decline in parliamentary interest in the land tax which continues to this day. The book describes the campaign by Andrew MacLaren and other Labour MPs which led to Philip Snowden's 1931 budget proposal for a penny-in-the-pound tax on the capital land value. The Bill received Royal Assent on June 31, but it was against a background of economic crisis. In the face of 22% unemployment and a serious deficit on the nation's accounts, the coalition National Government was brought in. Neville Chamberlain became Chancellor, immediately suspended the land valuation exercise and then shelved the land tax proposals altogether. (Andrew MacLaren maintained that it was an anti-land tax conspiracy which engineered the National Government. The facts behind this episode have yet to be unearthed.)

Geoffrey Lee concludes that "the hope for land taxers must lie in promoting their ideals to the general public and educating future politicians to appreciate the merits of such a tax". He describes the organisations which have taken up this challenge in the UK: the School of Economic Science, the Economic Study Association, and the Henry George Foundation. His final words are memorable:

"...the land value element in the 1909 budget which might have led to full land value taxation tragically failed to get off the ground. And nearly 90 years later we see that all other economic policies have failed. We have unemployment, we shall get inflation again, we have poverty, homelessness and their side effects - crime, drug-taking and the rapid creation of a violent underclass.

"There is a solution to all this. Henry George knew it and set it out in the terms of the 19th century. Ronald Burgess has said it in the 20th century. Do we have to wait until the 21st before truth and justice can be established in the economic system?"

HUGH VENABLES