

## CHAPTER II

### EARLY PARLIAMENTARY CAREER.

Captain Wedgwood, as he then was, entered Parliament as Member for Newcastle-under-Lyme in the year 1906 as a staunch Liberal with a clear bent towards Radicalism. By birth, by attainments, by training and by subsequent experience extending over some years and over a fairly wide range of affairs, he was eminently fitted to enter the august House. He belonged to the sturdy new middle class which prided itself on its ability and not on its birth or even wealth. His was originally an artisan family and was well able to sympathise with the lower strata of society. He had a sound education, a careful training, a wide experience of men and things. He was therefore eminently fitted to take an intelligent interest in the debates in the Commons and contribute to their fruitfulness by observations which are the results of common sense acting on study and experience. He was still a young man, was but thirty-four years old, and had that cultured leisure and youth

which combines earnestness with ability and ability with experience and which therefore results in safe yet fruitful action. To these qualities, he added in himself an amount of sturdy, but polite, independence which, while ever prepared to hear, was not afraid to strike when a right contingency for it arose. *Suaviter in modo, fortiter in re.*

## i

Of Wedgwood's early Parliamentary career, it is not proposed here to say much. The many purely British issues of a more or less local character which he gallantly fought in the Commons are not likely to be of interest to the average Indian reader. We must be content with saying that he discharged his duties as Member of Parliament as a staunch Liberal, leaning to the Left Wing of that Party, if we may import Continental party politics phraseology into English Party politics. Of one thing, however, we cannot fail to set something down here, not only because it is somewhat typical of all his later activities, but also because the matter by itself was not one of local, but of universal, importance. We

refer, of course, to the great campaign for the taxation of land values.

## ii

The history of this most interesting agitation is too long to be entered into fully here. We must, however, set down some of the salient features of it and point out the part that Wedgwood played in this campaign; for, it was not only an interesting campaign by itself, but it also illustrates what sort of man Wedgwood is. As President of the English Land Values Taxation League, Wedgwood threw himself heart and soul into this agitation. The English League, as its Scottish counter-part, arose out of the English and Scottish Land Restoration Leagues. These latter societies were started in London and Glasgow respectively to put into practice the lessons derived from the doctrines expounded by Henry George in his work *Progress and Poverty* and on his lecturing tours through England and Scotland. Stated broadly, the doctrines were that with the increase in industrial progress, there will be greater and increasing poverty, unless there was no monopoly in land.

The arguments of George<sup>a</sup> may perhaps be summarised as follow: Every industry is dependent directly or indirectly on the products of land. Progress in industry means greater demand for land as well as for labour, more for land than for labour. In the competition between the land-owners and labour for the fruits of this industry, labour, having no monopoly and being perishable, will go to the wall. Therefore, if labour, that is, the general population, is to benefit by progress in industry, it can only be by ensuring that land-owners are deprived of the increased rent due to increased demand for land and distributed to labour or the general public either by the taxation of land values or, better, by that more extreme variety of the reform suggested, namely, by the adoption of tax on land alone, that is, of the single tax system. The theory is that every industry or occupation being dependent on land, any tax on land could be shifted to the necessary extent on others, based on the theory of the diffusion of taxes, the land-owner or cultivator being not affected in any way because only unearned increment will be taken away from him by taxation.

Indeed, George's theory is but a development of one aspect of the Ricardian theory of rent and value and of Mill's theory of unearned increment, and, of course, pushed to extremes, the theory may become absurd, but, understood in the right way, with all its limitations, it may yield, as events have shown, valuable lessons.\*

## iii

George's theory, which has been stated above in its most acceptable form, was adopted by the English and the Scottish Leagues and the League's Members in Parliament set themselves to put it into practice. More than one Bill for the taxation of land values were promoted in the House by private Members, the most important of them being that of Mr. C. P. Trevelyn and that of Dr. Macnamara. The drastic amendment, amounting to rejection, by the Lords, of the Government's own modest Bill of 1906 applicable to Scotland brought matters to a head, and the Taxation of Land Values Group in the Commons set itself to promote a grand memorial to Government. The memorial was

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\* For a trenchant criticism of George's theory, see his own countryman Major Walker's *Political Economy*, pp. 417—433.

ready in 1909. It was presented to Government that very year, signed by no less than 250 Members of Parliament, and urging the inclusion of a tax on land values in the next Budget.

The result was the now famous budget of Mr. Lloyd George, then the Chancellor of the Exchequer, holding views on the matter identical with those of Mr. Wedgwood at that time. That Budget, it is now well-known, embodied certain land value duties. It also provided for a complete valuation of all land in the United Kingdom. The thin end of the wedge was thus inserted to the satisfaction of the Taxation of Land Values Group. The taxation proposals were, however, of a very timid nature in their opinion, and this Group in Parliament, composed of Liberal and Labour Members who favoured such taxation, issued a statement of policy which they wished to be followed. The Land and Taxation Reform Memorial, as this statement is now known, was characterised by three important features. It demanded, for one thing, that the land valuation should be made public. For another,

it wanted that the local authorities should be empowered to levy rates on the valuation. Thirdly, the Group asked for a provision in the Budget for a tax to be levied on all land-values, to be applied: (a) in providing a national fund to be allocated toward the cost of such services as education, poor relief, main roads, asylums, and police; and (b) in substitution of the existing duties on tea, sugar, cocoa, and other articles of food. Subsequent events have shown the large amount of success that attended the campaign of the League: so much so indeed that taxation of land values on well-defined lines, and with reference to all the circumstances of the case, is now an accepted fiscal policy with almost all the advanced nations. Many members of the League were, however, not content with what they considered this but partial success. They wanted the country to adopt the system of single tax. But this system has, in the circumstances of modern life, too many limitations that the support for it at present at any rate among statesmen, financiers and economists is very limited indeed.\* Mr. Asquith declared in 1912

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\* Bastable, *Public Finance*, pp. 431-434

that it had not even one supporter in the Cabinet and it is doubtful if the Cabinet has since contained men who were altogether for it.

The above incident is noteworthy from our point of view as showing Wedgwood's predilections, his progressive outlook, his close relations with Labour Members and his fighting temperament. How this progressive outlook and this cordial and intimate relations with Labour bore fruit later on will transpire in a subsequent chapter.