

Paul Mulvey examines what was hailed, in the early years of the twentieth century, as the radical alternative to collectivism and even the New Liberalism.

# The Single-Taxers and the Future of Liberalism, 1906–1914

The Single-Taxers were one of those political pressure groups, so typical of Edwardian Britain, whose adherents believed that they had found a relatively simple way to cure the ills of society. Their inspiration was the American economic theorist, Henry George, who in the 1870s had blamed the persistence of poverty, in spite of economic growth, on the rapacious exaction of rent by landlords on land which, in truth, was the birthright of all men. The cure to this injustice, George argued, was the appropriation by the community of all rent on the unimproved value of the land.

Around a core of committed advocates of the 'Single Tax', as it was called, there grew a wider Land Tax movement that supported the introduction of property taxes based on site value. These, they hoped, would improve the efficiency of land use and distribute the tax burden more fairly. The Single-Taxers themselves hoped for much more. Firmly in the libertarian tradition, they hoped George's scheme would bring about a new society – one without poverty, crime, or the exploitation of the weak by the strong. They had little time for the collectivist measures advocated by other progressive reformers. They were suspicious of state power, and hoped that their reform would shrink government, rather than increase it. They saw their theories as the natural progression of the Victorian radical ideals of liberty, laissez-faire and retrenchment, as true Liberalism in fact. Although few in number, they enjoyed a disproportionate voice in pre-1914 Liberal activism and the extent of their influence on Liberal support in the country, for good or bad, was a matter of dispute at the time, as it has been since.

The politics of land was central to pre-1914 radicalism. Aristocratic landowners were still powerful enough to prompt radical indignation. The growing awareness of urban and rural squalor aroused radical compassion, while the massive increases in the rates over the previous generation, hit hard at radical wallets. An attack on the landlords seemed to offer a solution to all three problems, and in doing so would hopefully win working-class support for the Liberals without splitting the electorate on class lines. But although radicals could agree that land reforms were needed, they could not agree on which ones.

The debate took place largely in the arena of local taxation where, by the end of the Edwardian period, rates and taxes took up some 28% of the annual rental value of property,<sup>1</sup> and in some areas exceeded 50%. Rates were widely seen as unfair, disproportionately hitting the poor, while the improvements they were used to fund – public transport, drainage, better roads – enhanced the value of land at little or no direct cost to the benefited landowners, as such windfall profits, or unearned increments, were not taxed.

Several groups campaigned to improve matters. The two most significant were the Land Nationalisers and the Land-Taxers, both of which contained a core of committed ideologues and a penumbra, overlapping between the groups, of less dogmatic supporters. The Land Nationalisers wanted a greater degree of government control over land. The Land-Taxers sought, as a minimum, a more equitable distribution of the tax burden between large landowners and small ratepayers.

The most committed Land-Taxers were the Single-Taxers, followers of Henry George, whose 1879 book, *Progress and Poverty*, had inspired movements for land reform in North America, Europe and the British Empire. George argued that land, and the minerals in it, which God had created for the whole community, was the essential prerequisite to the creation of all other forms of wealth. For those who owned no land, rent became a tax on their production. As population grew, competition for land increased, raising rents and suppressing real wages – which were driven to subsistence levels. Landlords withheld land from the market to drive prices yet higher, and so further increased overcrowding and destitution. George saw the evidence for this in the cities of North America and Europe, where sky-high property prices existed alongside empty lots and severe poverty.

His remedy was to tax the unimproved value of land and minerals, so reclaiming for the community any rise in value that was not due to the landlord's own efforts. This would also encourage the efficient use of land by taxing it on its re-sale value whether it was being used effectively or not. As more land came into production, its price would fall, giving every man the opportunity to work on the land if he so wished. With this alternative to accepting starvation wages, employers would

be forced to pay more to keep their workers. They would be able to afford this because the proceeds of the land tax would allow for the abolition of all other taxes.

George, unlike his socialist contemporaries, saw the fundamental social battle as not between labour and capital, but between their combined forces and the landowners. He assumed that once the land monopoly was removed, men would be free and social harmony would prevail. His arguments were made with passion and style and were infused with religious sentiment. The Single Tax would, he claimed:

Raise wages, increase the earnings of capital, extirpate pauperism, abolish poverty, give remunerative employment to whoever wishes it, afford free scope to human powers, lessen crime, elevate morals, and taste, and intelligence, purify government and carry civilisation to yet nobler heights.<sup>2</sup>

George visited the British Isles five times between 1881 and 1890. In his wake, Land Restoration Leagues were established and a journal, *The Single Tax* (later renamed *Land Values*), was founded, which by 1896 had a circulation of 5,000. The movement soon became identified with the radical wing of the Liberal Party and from 1889 onwards, the National Liberal Federation endorsed the taxation of land values every year.<sup>3</sup>

Site value rating was well supported

by local authorities, the Liberal leadership and Members of Parliament, the Labour movement, and even by some Tories, and in 1904 and 1905, bills to effect it, introduced by Charles Trevelyan, comfortably passed their second readings. The Liberal landslide of 1906 further swelled the ranks of supporters and the Parliamentary Land Values Group, which campaigned for taxes based on site value, grew to 280 members.<sup>4</sup> Most of these were not Single-Taxers; many supported land nationalisation, but all of them wanted to see the introduction of a valuation mechanism as a precursor to further reforms.

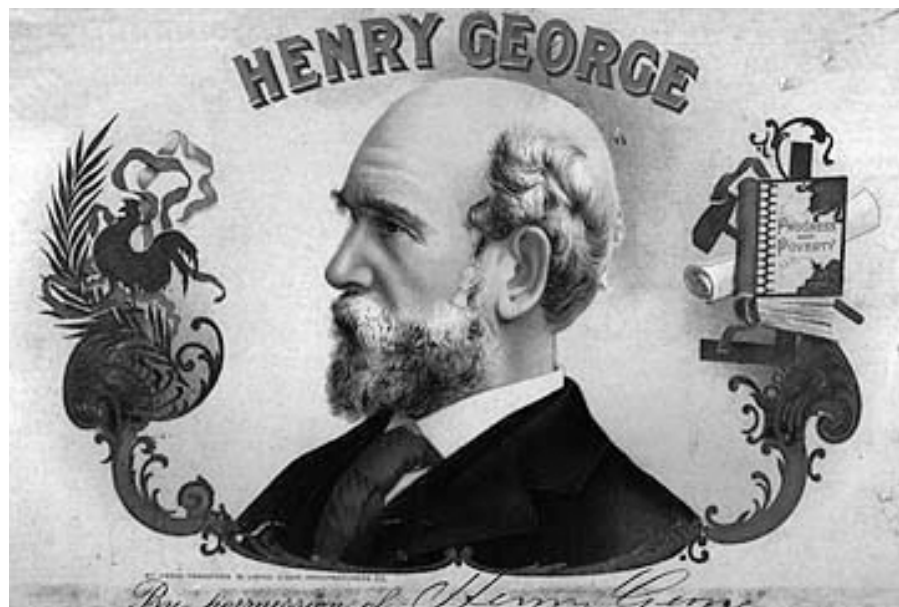
The Single-Tax centre of the movement was small. One of its leaders, the Radical MP, Josiah Wedgwood, claimed it was seven MPs in 1906, including himself, Philip Morrell, Charles Trevelyan and the Scottish Lord Advocate, Alexander Ure.<sup>5</sup> However, they were committed campaigners inside Parliament, and outside it via the various Land Values leagues. Membership of the leagues was modest – the total number of activists did not exceed a few thousand<sup>6</sup> – but though relatively few in number, the movement's supporters were very enthusiastic. J. A. Hobson later helped to explain what motivated them:

Henry George ... was able to drive an abstract notion, that of economic rent, into the minds of a large number of 'practical' men, and so generate therefrom a social movement ... George had all the popular gifts of the American orator and journalist, with something more. Sincerity rang out of every utterance.<sup>7</sup>

George's mixture of simple economics and moral certainty, delivered in an evangelical style, filled a gap for some in an otherwise increasingly secular age. As Wedgwood said of his first encounter with George's work: 'Ever since 1905 I have known "that there was a man from God, and his name was Henry George." I had no need henceforth for any other faith.'<sup>8</sup>

George's ideas fitted in well with popular romantic notions of a free peasantry deprived of their birthright by foreign oppressors. They also offered

The lid of a cigar box showing Henry George, author of *Progress and Poverty*.



a conceptually simple and fiscally cheap way of returning population to the land – an aim widely supported right across the political spectrum. By removing the oppression of the landlord and revealing the inner goodness of men, society’s ills would be cured without recourse to the bureaucratic meddling and concurrent limitations on personal freedom which came with the reforms advocated by socialists and, of course, by many other Liberals.<sup>9</sup> Indeed, it was a radical vision that competed with the collectivist ideas of ‘New Liberalism’ or of the Labour Party, and which its advocates claimed was more dynamic than either. Writing in the *Christian Commonwealth* of February 1914, for example, Wedgwood claimed that the Single-Taxers embodied the extraordinary spirit of rebellion that was abroad in the country, while the Labour Party was becoming more and more conservative. Labour men were essentially bureaucratic socialists, while his movement was individualistic:

We believe that The State Has No Right to take from the individual anything that the individual creates. All that the State has a right to take is what the community creates – for instance, the economic rent of land.<sup>10</sup>

Such language was not best suited to appeal to cautious voters, and throughout their campaign, the Single-Taxers had a constant problem in distinguishing the revolutionary implications of George’s idea – an effective end to private property in land and much reduced government revenues – from the modest improvements in land use that they claimed site value rating would bring. The ambiguity over the real aims of the movement played directly into the hands of their opponents, as the Single-Taxers well knew. Edward Hemmerde, another Georgeite MP, for example, warned a Land Values conference in 1912 to avoid any suggestion of the Single Tax when pushing for rates based on site value.<sup>11</sup>

Government bills to introduce site value rating in Scotland were twice rejected, in 1907 and 1908, by the House of Lords, making futile any similar attempt for England. To overcome this problem, the Land-Taxers urged the

Government to tack the measure into the Budget. Asquith’s assurance, in October 1908, that this was indeed the plan prompted a countrywide campaign in which the Government was deluged with petitions asking for a valuation and land taxes. The *Daily Chronicle*, *Daily News*, *Morning Leader* and *Manchester Guardian* all ran sympathetic articles.<sup>12</sup>

Lloyd George’s final land taxation proposals were very modest, but the Land-Taxers were sanguine about that, for the Chancellor had agreed to a land valuation – the first step on the road to taxing land values.<sup>13</sup> They and other land reformers celebrated at the Great Land Reform Demonstration in July 1909 at Hyde Park, which was attended by up to 90,000 people.<sup>14</sup>

The Budget was, of course, initially rejected by the Lords, and between the two 1910 general elections which followed *Land Values* listed the Land-Taxers’ demands:<sup>15</sup>

1. To abolish rates ... replacing them with a tax on the unimproved value of land.
2. To help rural districts by making ‘national’ services a national burden paid for by a national land value tax ... [and]
3. To abolish taxes on all foods and comforts of the people.

Meanwhile, the campaign continued in the country with a scheme to send out ten million sets of leaflets, one for every household.<sup>16</sup>

By May 1911, the legal and administrative complexity of the valuation meant that it was not now expected to be completed until 1915. The 173 members of the Parliamentary Land Values Group (out of 314 Liberal and Labour MPs),<sup>17</sup> frustrated by the delays, all signed a memorial listing their demands, which was presented to Asquith and Lloyd George.<sup>18</sup> In response, the Chancellor appointed a Departmental Committee on Local Taxation. Not satisfied with this, the Single-Taxers decided to make the taxation of land values the principle issue in two by-elections – at North-West Norfolk in May 1912 and at Hanley two months later. They won



**Charles Trevelyan MP, one of the strongest Liberal supporters of the Land Tax movement**

both, and saw this as proof of the popularity of their cause.

It was not necessarily so. In rural North-West Norfolk, Edward Hemmerde, who held the seat for the Liberals with a reduced majority, had argued that taxing land values would raise agricultural wages and had called for a minimum wage for farm workers. What the Land-Taxers saw as a great victory for their policy may simply have been a vote for higher pay. At Hanley, very much Wedgwood territory, the Land-Taxers ran a candidate, Leonard Outhwaite, against the wishes of Liberal headquarters, and in defiance of Labour claims for a free run at the seat.<sup>19</sup> Taxation of land values was an issue that played well in an urban constituency where the rates were eleven shillings in the pound.<sup>20</sup> As Outhwaite began to outpace the uninspiring Labour candidate, Asquith and Lloyd George jumped on the bandwagon with messages of support, though these did not specifically mention land tax.<sup>21</sup> In the last days of the campaign, Labour’s support collapsed and Outhwaite won a surprising victory, which *Land Values* claimed as a great achievement,<sup>22</sup> but which *The Times* put down to anti-Labour tactical voting.<sup>23</sup>

A month after his victory, Hemmerde was made a member of Lloyd George’s new Land Enquiry, set up to look into rural conditions and urban rating reform. This, alongside the

by-election victories, gave the Single-Taxers great confidence, and even more than usual they claimed to be speaking for Liberalism as a whole. As early as July 1911, Wedgwood, in urging the Government to get on with the valuation, talked of the need to 'bring Liberalism in this House more into line with Liberalism in the country'.<sup>24</sup> Speaking to Land Taxers in July 1912, Frank Neilson, by now the most active Single-Tax MP, dismissed the significance of Home Rule, franchise reform and Welsh disestablishment and added:

When the decks are cleared of 'traditional Liberalism' what is the Liberal Party going to do? What is its policy to be? The 'new Liberalism' that is rising in this country today is moving under various names. It will want something very radical, very fundamental; something new that is going down to the bottom of things.<sup>25</sup>

It wanted taxation of land values. The monomania of the Land-Taxers was by now causing concern in more moderate Liberal circles. Victory at Hanley had a price – the Land-Taxers had broken the unofficial Gladstone-MacDonald electoral pact, costing Labour a safe seat and they, in retaliation, ran a candidate in the Crewe by-election of July 1912, who took nineteen per cent of the vote and so prevented a Liberal victory. Wedgwood and Outhwaite got a very offhand reception at a Liberal conference in Edinburgh at the end of August,<sup>26</sup> and the Chief Whip warned Lloyd George of the dangers of supporting too radical a policy – something most of the Cabinet agreed with.<sup>27</sup> In October, to appease these concerns, both Asquith and Lloyd George publicly denied that they were Single Taxers.<sup>28</sup> *Land Values* was not concerned, however, asserting that:

The repudiation of the Single Tax by the Prime Minister and other Liberals means nothing. It leaves the practical steps toward that policy supreme in the Liberal programme, for the party is pledged to the hilt to the Rating and Taxation of Land Values.<sup>29</sup>

This view seemed to be endorsed when, on 13 October 1913, Lloyd George sent a message of support to

the 300 delegates at a Land Taxing Conference at Cardiff, wishing them God's speed to every effort to put an end to the land monopoly. They, in return, strongly supported the Liberal Party – and booed an activist who suggested that the Chancellor was not to be trusted.<sup>30</sup> Lloyd George, though, continued to play hot and cold – his Swindon speech on 22 October proposed an agricultural minimum wage, a new bureaucracy and state land purchase, but made no mention of land value taxation.

Wedgwood, who saw this as symptomatic of a government whose actions got ever more 'Whiggish',<sup>31</sup> flew a kite in the *Glasgow Forward* to see if the Radicals could establish a joint land policy with Labour.<sup>32</sup> This was soon dropped, however, as it became apparent that Lloyd George had not abandoned site value rating after all, accepting its partial application in principle in a speech on 4 February 1914.<sup>33</sup>

In the May 1914 Budget, the Chancellor offered £9 million in grants in relief of rates if valuation and revenue bills were passed in the next session allowing for the introduction of site value rating. The grants were popular – they were equivalent to nine pence off the rates<sup>34</sup> – but the Budget's novelty in making current expenditure contingent on future revenue legislation prompted opposition from a 'cave' of about forty fiscally conservative Liberal MPs, and with the deadline for passing a Finance Act approaching, the Government was forced to drop the grants and postpone the requisite legislation until the autumn, by which time, of course, it had other matters to deal with.

In the summer of 1914, the Land-Taxers were more optimistic of success than at any time since 1906. The Government had at last agreed to introduce site value rating, and the legislation was due in a few months' time. The movement was solidly, if not always enthusiastically, behind the Liberal Party, and their by-election successes seemed to show that they did have a viable and radical alternative to the collectivist proposals and class appeal of the Labour Party. If they wanted to cooperate with Labour, and most of them did, it was to

avoid the risk of splitting the progressive vote, and not because they feared losing seats directly to Labour.

Did the Single-Taxers help or hinder the Liberals? Bentley Gilbert has argued that land reform divided and embittered the Liberals as tariff reform had the Tories,<sup>35</sup> and as we have seen, the Single-Taxers certainly did prompt disquiet in the Liberal ranks, but on the whole the evidence presented here suggests that they helped the party. They offered a radical and non-collectivist alternative to socialism, and their belief in individualism and a minimalist state appealed to many working-class voters who were unhappy with the increased tax burden and element of compulsion that came with such New Liberal measures as the National Insurance Act. Not least, their plan for site value rating had wide appeal to those who lived in rented accommodation and paid high rates.

They provided the Liberal leadership with a tool with which to balance the more conservative wing of their party, and both Asquith and Lloyd George played the game of encouraging the Single-Taxers while denying any Georgeite aspirations themselves. The Single-Taxers often sniped at the Liberal leadership and threatened revolt, but they had nowhere else to go, certainly not to a Labour Party that refused to accept the principles of Henry George and saw the future in collectivist terms. Certainly, in the summer of 1914, the Single-Taxers had every reason to believe that they would continue to play an important, and growing, part in Liberal and progressive politics for the foreseeable future.

## Afterthought

In 1914, on the verge of seeing a modest version of their hoped-for-tax introduced, the Single-Taxers were defeated by the advent of war. The war destroyed the Land Tax movement as it destroyed the Liberal Party, because it provided an issue that divided Land Taxers more than their pre-war ideology had united them. Wedgwood, for example, went off to fight almost immediately, while Trevelyan opposed entry to the war and Outhwaite was an outright pacifist. As

the Liberal Party divided, so did the Land Taxers. In the 1918 election, of the fourteen pre-war MPs most closely associated with the movement, four received the 'coupon', eight stood as Asquithians, one as an independent Liberal, and one, Wedgwood, as an Independent.<sup>36</sup>

Although there were later attempts to tax land value, most notably in Philip Snowden's budget of 1931, never again was George's Single Tax taken as a serious political idea in Britain. The movement shrank to insignificance as differences over the war fractured its membership and as the costs of the war, both financial and in terms of personal liberty, undermined their arguments and marginalised their policies. Without big government and a wide tax base, Britain would not have won the war. There was to be no return to small government.

*Paul Mulvey is a Ph.D. student at the London School of Economics, researching the life and political career of Josiah Clement Wedgwood, 1872–1943.*

1 Avner Offer, *Property and Politics 1870–1914*, (Cambridge, 1981), p.161.

- 2 Henry George, *Progress and Poverty*, (London, 1908), p.288.
- 3 Elwood P. Lawrence, *Henry George in the British Isles* (East Lansing, 1957), p.122.
- 4 Offer, pp.317–18.
- 5 Josiah C. Wedgwood, *Memoirs of a Fighting Life*, (London, 1940), p.67.
- 6 Sadie Ward, *Land Reform in England 1880–1914*, unpublished PhD thesis (Reading University, 1976), pp.552–53.
- 7 Quoted in G.R. Geiger, *The Philosophy of Henry George* (Grand Forks, Dakota, 1931), p.174, according to Ursula Vogel, 'The Land Question: A Liberal Theory of Communal Property', *History Workshop*, (1989), vol.27, pp.106–35, 129.
- 8 Wedgwood, *Memoirs*, p.60.
- 9 See Francis Neilson, *My Life in Two Worlds, vol.1 1867–1915 & vol.2 1915–1952*, (Appleton, Wisconsin, 1952), p.241 & p.248 and Francis Neilson, 'What Progress and Poverty did for me', *American Journal of Economics & Sociology*, vol.14 [1], (1954), p.214 and J.C. and Ethel Wedgwood, *The Road to Freedom and what lies Beyond*, (London, 1913), p.35. First published in *The Open Road*, 1912.
- 10 Hanley Library, JCW Newscuttings, volume 1, *The Christian Commonwealth*, 11 February 1914.
- 11 *The Times*, 8 October 1912, p.8, col. D.
- 12 Ward, pp.491–92.
- 13 *Land Values*, May 1909, p.232.
- 14 Ward, p.497; though the sceptical *Daily Mail* estimated the numbers around the speakers' platforms at a more modest 36–39,000, Hanley Library, JCW Newscuttings, volume 1, *Daily Mail*, 26 July [1909].
- 15 *Land Values*, July 1910, p.26.
- 16 *ibid.*, p.37.
- 17 Ward, p.513.
- 18 *Land Values*, June 1911, p.1.
- 19 Wedgwood, *Memoirs*, pp.83–84.
- 20 *The Times*, 9 July 1912, p.8, col. B.
- 21 *ibid.*, 12 July 1912, p.11, col. D and 13 July 1912, p.10, col. D.
- 22 *Land Values*, August 1912, p.98.
- 23 *The Times*, 15 July 1912, p.7, col. B.
- 24 Parliamentary Debates, Fifth series, Vol.28, col.s 1549–50, 25 July 1911.
- 25 *Land Values*, August 1912, p.139.
- 26 Kinloch Papers 1/31, Wedgwood Correspondence, Ethel Wedgwood to J.L. Kinloch, 30 August 1912.
- 27 H.V. Emy, 'The Land Campaign: Lloyd George as a Social Reformer, 1909–14', in A.J.P. Taylor (ed.), *Lloyd George: Twelve Essays* (London, 1971), pp.48.
- 28 Roy Douglas, *Land, People and Politics* (London, 1976), p.158.
- 29 *Land Values*, November 1912, p.262.
- 30 *ibid.*, November 1913, p.229.
- 31 Hanley Library, JCW Newscuttings, volume 1, *Manchester Guardian*, letter to the editor, 13 November 1913.
- 32 *Forward*, 27 December 1913, p.1, col. E. – To include the abolition of game laws, site value rating, State purchase of all land valued at less than ten pounds an acre, and free use of the poorest land
- 33 A minority report from the Departmental Committee on Local Taxation in March and the Urban Report of the Land Enquiry in April also supported the idea.
- 34 Bruce K. Murray, 'Battered and Shattered: Lloyd George and the 1914 Budget fiasco', *Albion*, vol. 23[3], (1991), p.495.
- 35 Bentley B. Gilbert, 'David Lloyd George: the reform of British land holding and the Budget of 1914', *The Historical Journal*, vol. 21[1], (1978), p.141.
- 36 Douglas, p.172.

# Archive Sources

## University of Bristol Library

By M. T. Richardson

The Liberal Party collections at the University of Bristol Library originate from the acquisition in 1976 of the Gladstone Library of the National Liberal Club.

The Club was founded in 1883 to focus political energies in an era of widening political involvement and, from the earliest days, it was intended to develop at the Club a political and historical library, a fitting tribute to the national services of one of the most

bookish of British statesmen. Surviving collections demonstrate that the founders' enthusiasm was channelled effectively and imaginatively into the creation of a library addressing not only matters of historical record but also current political issues, an aim shared by its custodians today. Thus the collection of the election addresses of candidates in London County Council and general elections began in 1889 and 1892 respectively. The series of

LCC addresses covers elections until 1913, with the exception of 1910, and records, *inter alia*, the early involvement of women in the political process.

General election coverage continues to the present day. Every declared candidate is requested to submit to the Library an address and any other supporting material thought suitable. In addition, the Library attempts to garner a full range of party manifestos. A similar tradition has developed in the