

# LANDSCAPE

THE NEWSLETTER OF ALTER : ACTION FOR LAND TAXATION & ECONOMIC REFORM



# PEOPLES BUDGET 1909-2009

## EDITORIAL

**In the last year the meaning of "bank robbery" has been turned on its head. In the old days banks would lock up money so it could not be stolen from them. Now taxpayers must lock their money so it is not stolen by bankers**

**Our tax system could have been specially designed for high rolling bankers and successful robbers. Bankers and robbers are experts at hiding their income: the former use wealth planning and both use stealth. The UK taxes income, not wealth.**

**Neither bankers nor robbers can hide land. Before ruining Northern Rock, its chairman Adam Applegarth bought a £2.6m mansion. Sir Fred Goodwin brought a £3 million mansion.**

**Both men know that the best place to hide income is in the past, by turning it into accumulated wealth. Land Value Tax is the one method that we, the taxpaying public, can now use to recoup the proceeds of the biggest bank heist ever.**

ALTER marks the centenary of Lloyd George's "People's Budget" of 1909 with the publication of a new book, "The Case for a New Peoples Budget", launched at the September party conference in Bournemouth. It has a foreword by Vince Cable summing up why it is a "must read" for Party activists who are serious about Lib Dem prospects for power after next year's General Election.

Too often politics is fixated on the here and now. So sometimes it is good to step back and look at the longer picture. The groundbreaking 1909 budget introduced state pensions for the old and attempted to introduce land value tax to Britain, a measure that was vetoed by the landed interests in the House of Lords

Most of the book's contributors are Liberal Democrat members but the first essay is by Geoffrey Lee, author of *The Peoples Budget*, a detailed history of what Lee calls "that Edwardian tragedy", with Fife farmer (and UKIP supporter) Dr Duncan Pickard offering perhaps the most thought-provoking essay on *Food Scarcity & Farming*. The essay on *Banking & Finance* is by a former Tory, now a banking fraud expert witness, Chris Glover, who was attracted to the Lib Dems largely by the soundness of our policies on taxing unearned wealth. As he says: "A rise in land prices serves no useful economic purpose... Land values are community created. Taxing them would go to the root of the problem of imprudent, speculatively-driven, bank lending."

In ALTER chairman Tony Vickers' concluding essays, he sets out "How We Do It" - a way to develop existing Party policy so we would move swiftly to make fiscal policy both fair and efficient.

**INSIDE: A new report on the Social Justice argument for LVT**

# Spreading the Word

ALTER continues its mission to promote the advantages of Land Value Taxation both within the Liberal Democratic party and in the general media.

Members of the ALTER executive were recently able to present their case at a formal meeting with Vince Cable, our shadow chancellor. Vince is providing a foreword to the book on land value tax that we are currently publishing, and at a recent meeting encouraged us to spread the word as actively as possible.



*Vince Cable and ALTER chairman Tony Vickers meet to discuss land value taxation*

In a separate meeting members of the ALTER executive presented the benefits of Land Value Taxation to Sarah Teather, Liberal Democrat housing spokesperson.



*Housing Spokesperson Sarah Teather and ALTER chairman Tony Vickers meet to discuss land value taxation*

The ALTER executive emphasised that the current manifesto on taxation, "Fairer, Simpler, Greener" contains a commitment to LVT

## The View From Scotland

A supporter writes...

News that the Scottish Labour Party is mooting a new property tax based on the N. Ireland rates model introduced in 2007, shows that, with 2011 elections now peeking over the horizon, the manifesto machines of the Scottish parties are once more beginning to churn.

The SNP is apparently still intent on local income tax despite the fact it had to be abandoned last year in the face of arithmetic, which showed that not enough could be raised – a decision taken even before the worst of Fred Goodwin's best efforts at RBS had been made public. As for the Liberal Democrats, with current Party strengths, both electoral and human drawn from true blue Scottish landed order, LVT does not appear a high priority. Which leaves the Greens, for whom LVT remains a key policy. However, despite winning a handful of council seats in the central belt, they are now down from 7 to just 2 MSPs, squeezed through the upswing for the Nats and, some have argued, the curious design of the voting papers for the 2007 Holyrood elections which saw many educated Scottish voters unsure who they actually voted for.

Sadly tax, as we know, is a turn off with the voters, and all the parties grapple with it, cursing in silence. Yet here in Scotland LVT has many adherents in all Parties, including many in the SNP, and so it may be that as the horrible realities of public spending cuts continue to sink in, a stronger desire to try something different at a local level might re emerge. Certainly the idea that LVT is a pro business tax which is also good for social justice would very much align with SNP instincts of sustainable growth - the Enterprise Minister Jim Mather for example, is an keen admirer of Fred Harrison's books – but maybe they must be allowed to discover the cause of LVT and make it its own.

As for outside politics, a new raunchy rock number titled The Duke played by Edinburgh band Lincoln City is calling for LVT – 'tax the land not you and me', connecting to the angry, jobless, educated young now drowning in debt. And down in the dusty vaults of the National Records Office lie complete records of every valuation on every Scottish property Lloyds George's Valuers ever did for LVT. Their arithmetic is very clear indeed, but will the politicians start adding it up?

# LVT- The Social Justice Case

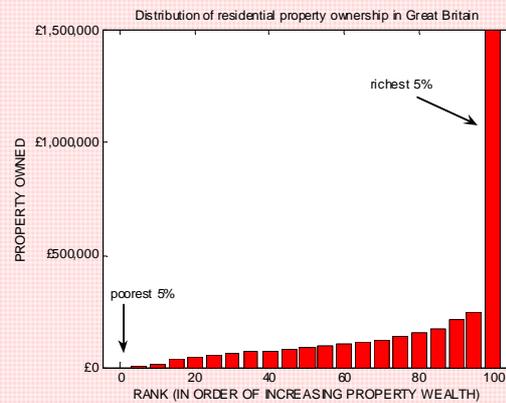
A new report published by ALTER

This summer ALTER published a new report on the Social Justice case for Land tax, written by ALTER secretary David Cooper. Coming out at the same time as a similar report from Compass, it attracted attention from the national press, being quoted by Ashley Seager of the Guardian. This is a précis. The full version is on the ALTER website.

UK income is unevenly distributed, as below:-



However, ownership of wealth (such as property and financial assets) is distributed even more unevenly. This is shown in the bar chart below.



The report argues that a system which bases tax on income only is highly favourable to the very wealthy and deeply unfair to the many who have above average income but not great wealth, and it proposes LVT as a solution.

## Tony Vickers reports on the Coalition for Economic Justice

In the last (Winter 08/09) issue of Landscape, the launch of the Coalition for Economic Justice (C4EJ) was reported. ALTER was a founder member and Vince Cable sponsored its first meeting at the House of Commons in March, at which Andrew George, another Lib Dem MP, was the only Parliamentarian to remain present throughout. Chris Glover, with myself as 'Alternate', has been ALTER's representative on C4EJ's Steering Committee.

The Cooperative Party, which has a separate legal existence but always supports 20-30 Labour candidates at General Elections rather than put up its own, is reported to have committed to LVT in its Manifesto for those candidates to campaign on next year. Regarded by many Labour "land taxers" as somewhat right-wing, this must be good news for Lib Dems wanting to encourage their own PPCs to "come out" as LVT supporters. Coop Party is not yet a member of C4EJ but is being invited to join. C4EJ's short-term aim is to get every UK political party to commit to a national land valuation as precursor to LVT.

C4EJ's website ([www.c4ej.org](http://www.c4ej.org)) has a password-protected members-only area where contact details can be entered for sharing among all member organisations. It is intended that ALTER's membership list be made available, together with details of sympathetic Lib Dem MPs and other leading figures who are not ALTER members but might appreciate invitations to future C4EJ events. Since working with like-minded organisations outside the Party is an important part of ALTER's purpose, we believe that individual members will be happy, providing there is an 'opt-out'.

C4EJ plans to bid for an hour slot on Trafalgar Square's Fourth Plinth, as an unashamed publicity stunt. It has an offer for professional video recording of the event, which is also extended to any ALTER member who can arrange a meeting with their MP to discuss LVT. There are also discussions on producing a full-length documentary to appeal to all ages and political (and religious) 'faiths'.

# **ALTER'S NEW BOOK ON LAND TAX** **"The Case for a New People's Budget"**

*ALTER vice chairman, Margaret Godden, writes...*

The ALTER committee realised some time ago that we ought to produce a book to mark the centenary of Lloyd George's attempt to get Land Value Taxation into the 1909 budget. This would be a reminder to our Lib Dem colleagues of just how passionate about the cause the Party once was. Going on from there, we hoped to get them to understand just how powerful a policy LVT is for today.

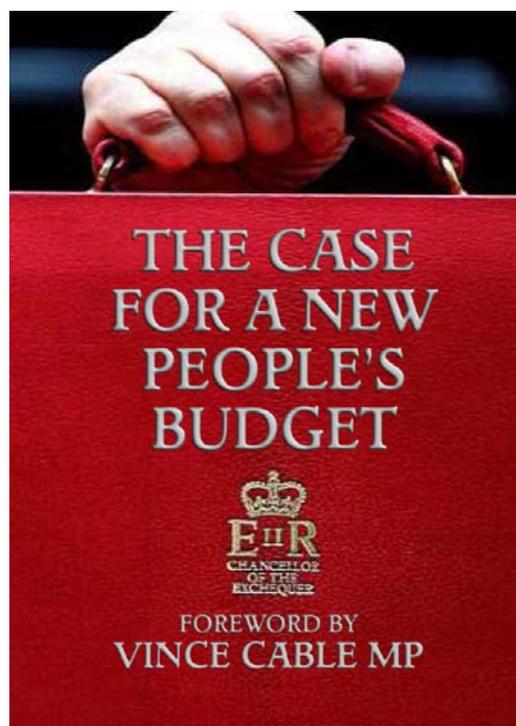
The result is "The Case for a New People's Budget" which will be launched at the Autumn Conference.

The book starts with a vivid account of the events of 1909 by Geoffrey Lee, a journalist and historian who has written a book on the subject. This is followed by a series of essays on different aspects of LVT and the modern world: Transport (John Howell), Business & Enterprise (Catherine and Brian Hodgkinson), Food Scarcity and Farming (Duncan Pickard, not an ALTER member but a considerable authority on this subject), Utilities (Brian Hodgkinson), Housing (Jock Coats), Poverty and the Welfare State (Margaret Godden) and Banking and Finance (Christopher Glover). Tony Vickers provides a chapter on the mechanics of introducing the tax and he finishes the book with a look into the future as our definition of natural resources spreads beyond anything Henry George would have envisaged.

We were delighted that Vince Cable agreed to provide a Foreword and grateful to an ALTER member who offered to underwrite the cost.

The book sells at the remarkably low price of £5 and copies can be obtained from Catherine Hodgkinson, 51 Demesne Furze, Oxford, OX3 7XG. Please add 50p for postage costs within the UK.

We hope that you will all want to buy a copy (and one for a friend?) and that you approve of what we have produced.



*Front page of ALTER's new book on LVT*

## **Join ALTER and fight for tax justice**

Visit our website at: [www.libdemsalter.org.uk](http://www.libdemsalter.org.uk),

Or write to:

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51 Demesne Furze, Oxford, OX3 7XG**

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