

I came across a little pamphlet called **Constructive Taxation**, by Scot Young, when clearing my attic for the home insulation guys recently. Price 20p in 1974 (when I was Vice Chair of South Gloucestershire Liberal Association), it is all about what we call LVT.

The first section is a concise background to the main part, which describes what Constructive Taxation (LVT) is. It is worth repeating, especially for those who may have come to ALTER without a great deal of history. So here's an edited version.....

A Short History of our Land

In our early history, every acre of land in England belonged to the crown which was the medieval way of saying all land belonged to the Public Domain. It was Public or "Royal" property and the words "Real Estate" originated from the concept of Royal Estate. In English law there is no such word as "Landowner", only "Landholder". The word "Title" in land was granted by the crown and usually title in land went with Title in nobility, in other words territory in land gave one an "entitled" position. The large entitled Lords then passed parts of the main titles on to lesser titles and "Land" Lords. To run the government of the day the crown charged a large Feudal due on all land which had been granted. The crown rarely "let" land out of its possession, and never for ever. The Feudal dues or annual rent which the crown levied were usually paid in kind by the Land lords maintaining certain services of local government such as roads, maintenance of Law and Order, National Defence and maintenance of an Army in times of war etc.

When the Lord died he was allowed to pass the title to his son but only after the son had paid a substantial extra payment to renew the lease so to speak. Until the heir was 21, the crown took over the "Royal Estate" and most of the income. When the Lord died leaving only a daughter the crown took over the estate and passed it to someone else at an extremely high payment plus the fact that the new owner had to marry the daughter. The Church at one time in England owned approximately one quarter of all land and in return for this had to assume all social duties such as poorhouses and whatever other scanty services were available in these times. Land around the villages was granted in "common" to all people and they were allowed to graze their herds and have "free" access to this common land.

The "commons" in England probably had as much effect on the vitality and freedom of the British people as any other single factor. It was not until the early 1700s that the effects of land monopoly were felt. In 1660 the power which Kings had monopolised was now monopolised by the "Land" Lords. Parliament became a Landlords convention. Only great landholders could sit in the House of Lords and only landholders could vote for members of parliament. For the next 150 years this select club of monopolists voted for large tax relief on land and greater rights for property holders. Relieving the Lords of all Feudal dues and passing more than 4,000 "Enclosure Acts" which fenced in almost all the "common" land as private property which in the past had belonged to the common people.

Massive land grabs took place. The Duke of Sutherland got 1,358,546 acres; Duke of Buccleuch 459,108 acres; Earl of Breadalbone 438,358 acres, etc. At the beginning of the 1600s almost all government costs were taken from land values quite apart from the "Free Commons". By the early 1800s nearly all land was tax exempt.

Land is still more or less exempt today, with only rents taxable. Idle land and most unused property pays nothing at all.¹

Britain's Property Rating system is amongst the most antiquated and iniquitous in the Western World.

Winston Churchill campaigned as a Liberal in 1904-10. He fought for land reform and made many great speeches on it, which are still quoted today. The Liberal won the bitter land reform election in 1910, after Lloyd George's Peoples Budget was blocked by the Lords. By the time the King had created landless peers to force through the Parliament Act, the Great War was upon us. After that the Liberals lost their identity.

I'd like to pick up on that last sentence, in the light of speculation that the Liberal Democrat Party might lose its identity in today's Coalition Government.

It is vital that we Lib Dems understand that "landlordism" has now morphed into a global financial system for plundering everyone's wealth - earned by labour and stored labour (i.e. capital in its true sense) - by means of creation of credit backed by 'collateral' of land values. Governments have not even begun to tackle this vast fraud on society. It is the destiny of our Party to do what Liberals failed to do 100 years ago: restore a truly Free Market, by regulating natural monopolies in finite natural resources such as land - and the banks who feed off this monopoly.

That is why I readily supported the Motion promoted by Ben Dyson through his Bank of England (Reform) Act, for debate at this Autumn Conference. The Motion does not mention "land" or "tax", because Conference Committee is tired of motions so obviously connected to these. But Credit and Land are two sides of the same coin: the one feeds on the other, can scarcely exist without it.

Does the modern Conservative Party, as George Osborne claimed in his first Coalition Budget, really want to usher in a "new model of economic growth, [an] enterprise led recovery, which rewards enterprise"? If he does, then his Party should support what Scot Young called Constructive Taxation, because it will kill the monopoly power of landlordism which drains wealth-creating enterprise of its lifeblood, leaving the most vulnerable in society at their mercy.

Liberal Democrat identity is inextricably bound up with the fight for liberty – for a society in which everyone shall be free from poverty, ignorance and conformity. Beggars for their birthright in land cannot be free.

¹ Council tax (domestic property) and Empty Property Rates (non-domestic) have changed the situation somewhat.