

THE BUDGET AND THE LORDS [ToC](#)

NORWICH, *July 26, 1909*

(From *The Manchester Guardian*, by permission.)

The Budget is the great political issue of the day. It involves all other questions; it has brought all other issues to a decisive test. *The Daily Mail* has stated that the Budget is hung up. So it is. It is hung up in triumph over the High Peak; it is hung up as a banner of victory over Dumfries, over Cleveland, and over Mid-Derby. The miniature general election just concluded has shown that the policy embodied in the Budget, and which inspires the Budget, has vivified and invigorated the Liberal Party, has brought union where there was falling away, has revived enthusiasm where apathy was creeping in.

You cannot but have been impressed with the increasing sense of reality which political affairs have acquired during the last few months. What is it they are doing at Westminster? Across and beyond the complicated details of finance, the thousand ^[345]amendments and more which cover the order paper, the absurd obstruction, the dry discussions in Committee, the interminable repetition of divisions, the angry scenes which flash up from time to time, the white-faced members sitting the whole night through and walking home worn out in the full light of morning—across and beyond all this, can you not discern a people's cause in conflict? Can you not see a great effort to make a big step forward towards that brighter and more equal world for which, be sure, those who come after us will hold our names in honour? That is the issue which is being decided from week to week in Westminster now, and it is in support of that cause that we are asking from you earnest and unswerving allegiance.

I do not think that there is any great country in the world where there are so many strong forces of virtue and vitality as there are in our own country. But there is scarcely any country in the world where there is so little organisation. Look at our neighbour and friendly rival Germany. I see that great State organised for peace and organised for war to a degree to which we cannot pretend. We are not organised as a nation, so far as I can see, for anything ^[346]except party politics, and even for purposes of party politics we are not organised so well as they are in the United States. A more scientific, a more elaborate, a more comprehensive social organisation is indispensable to our country if we are to surmount the trials and stresses which the future years will bring. It is this organisation that the policy of the Budget will create. It is this organisation that the loss of the Budget will destroy.

But, we are told, "it presses too heavily upon the land-owning classes." I have heard it said that in the French Revolution, if the French nobility, instead of going to the scaffold with such dignity and fortitude, had struggled and cried and begged for mercy,

even the hard hearts of the Paris crowd would have been melted, and the Reign of Terror would have come to an end. There is happily no chance of our aristocracy having to meet such a fate in this loyal-hearted, law-abiding, sober-minded country. They are, however, asked to discharge a certain obligation. They are asked to contribute their share to the expenses of the State. That is all they are asked to do. Yet what an outcry, what tribulation, what tears, what ^[347]wrath, what weeping and wailing and gnashing of teeth, and all because they are asked to pay their share.

One would suppose, to listen to them, that the whole of the taxation was being raised from, or was about to be raised from the owners of agricultural estates. What are the facts? Nearly half the taxation of the present Budget is raised by the taxation of the luxuries of the working classes. Are they indignant? Are they crying out? Not in the least. They are perfectly ready to pay their share, and to pay it in a manly way, and two hundred thousand of them took the trouble to go to Hyde Park the other day in order to say so.

What are the facts about agricultural land? It is absolutely exempt from the operations of the new land taxation so long as agricultural land is worth no more for other purposes than it is for agricultural purposes: that is to say, so long as agricultural land is agricultural land and not urban or suburban land, it pays none of the new land taxation. It is only when its value for building purposes makes its continued agricultural use wasteful and uneconomic, it is only when it becomes building land and not agricultural land, ^[348]and when because of that change it rises enormously in price and value—it is only then that it contributes under the new land taxation its share to the public of the increment value which the public has given to it.

Then take the death duties. One would suppose from what one hears in London and from the outcry that is raised, that the whole of the death duties were collected from the peers and from the county families. Again I say, look at the facts. The Inland Revenue report for last year shows that £313,000,000 of property passing on death became subject to death duties, and of that sum £228,000,000 was personalty and not real estate, leaving only £85,000,000 real estate, and of that £85,000,000 only £22,000,000 was agricultural land. These death duties are represented as being levied entirely upon a small class of landed gentry and nobility, but, as a matter of fact, there is collected from that class in respect of agricultural land only seven per cent. of the whole amount of money which the Exchequer derives from death duties.^[19]

^[349]I decline, however, to judge the question of the House of Lords simply and solely by any action they may resolve to take upon the Budget. We must look back upon the past. We remember the ill-usage and the humiliation which the great majority that was returned by the nation to support Sir Henry Campbell-Bannerman in 1906 has sustained in the last three years at the hands of the House of Lords. That Assembly must be judged by their conduct as a whole. Lord Lansdowne has explained, to the amusement of the nation, that he claimed no right on behalf of the House of Lords to "mince" the Budget.

All, he tells us, he has asked for, so far as he is concerned, is the right to "wince" when swallowing it. Well, that is a much more modest claim. It is for the Conservative Party to judge whether it is a very heroic claim for one of their leaders to make. If they are satisfied with the wincing Marquis, we have no reason to protest. We should greatly regret to cause Lord Lansdowne and his friends any pain. We have no wish whatever to grudge them any relief which they may obtain by wincing or even by squirming. We accord them the fullest liberty in that respect.

[350]After all, the House of Lords has made others wince in its time. Even in the present Parliament they have performed some notable exploits. When the House of Lords rejected the Bill to prevent one man casting his vote two or three times over in the same election, every one in this country who desired to see a full and true representation of the people in Parliament might well have winced. When the House of Lords rejected or mutilated beyond repair the Land Valuation Bills for England and for Scotland, every land reformer in the country might have winced. When the House of Lords destroyed Mr. Birrell's Education Bill of 1906, every man who cared for religious equality and educational peace might have winced. When they contemptuously flung out, without even discussing it or examining it, the Licensing Bill, upon which so many hopes were centred and upon which so many months of labour had been spent, they sent a message of despair to every temperance reformer, to every social and philanthropic worker, to every church, to every chapel, to every little Sunday school throughout the land. If it should now prove to be their turn, if the measure they have meted out to [351]others should be meted out to them again, however much we might regret their sorrows, we could not but observe the workings of poetic justice.

But I hope the House of Lords and those who back them will not be under any illusions about the Budget and the position of the Government. The Government is in earnest about the Budget. The Budget carries with it their fortunes and the fortunes of the Liberal Party. Careful argument, reasonable amendment, amicable concession, not affecting the principles at stake—all these we offer while the Bill is in the House of Commons. But when all that is said and done, as the Bill leaves the House of Commons so it must stand. It would be a great pity if Lord Curzon, the Indian pro-Consul, or the London *Spectator*—it would be a great pity if those potentates were to make the great mistake of supposing that the Government would acquiesce in the excision of the land clauses of the Budget by the House of Lords. Such a course is unthinkable. Any Liberal Government which adopted it would be swiftly ruined. The land proposals of the Government have not been made without long deliberation and [352]full responsibility. We shall not fail to carry them effectively through the House of Commons; still less shall we accept any amendment at the hands of the House of Lords.

Is it not an extraordinary thing that upon the Budget we should even be discussing at all the action of the House of Lords? The House of Lords is an institution absolutely foreign to the spirit of the age and to the whole movement of society. It is not perhaps

surprising in a country so fond of tradition, so proud of continuity, as ourselves that a feudal assembly of titled persons, with so long a history and so many famous names, should have survived to exert an influence upon public affairs at the present time. We see how often in England the old forms are reverently preserved after the forces by which they are sustained and the uses to which they were put and the dangers against which they were designed have passed away. A state of gradual decline was what the average Englishman had come to associate with the House of Lords. Little by little, we might have expected, it would have ceased to take a controversial part in practical politics. Year by year it would have faded more [353]completely into the past to which it belongs until, like Jack-in-the-Green or Punch-and-Judy, only a picturesque and fitfully lingering memory would have remained.

And during the last ten years of Conservative government this was actually the case. But now we see the House of Lords flushed with the wealth of the modern age, armed with a party caucus, fortified, revived, resuscitated, asserting its claims in the harshest and in the crudest manner, claiming to veto or destroy even without discussion any legislation, however important, sent to them by any majority, however large, from any House of Commons, however newly elected. We see these unconscionable claims exercised with a frank and undisguised regard to party interest, to class interest, and to personal interest. We see the House of Lords using the power which they should not hold at all, which if they hold at all, they should hold in trust for all, to play a shrewd, fierce, aggressive party game of electioneering and casting their votes according to the interest of the particular political party to which, body and soul, they belong.

It is now suggested—publicly in some quarters, privately in many quarters—that the House of Lords will not only use without [354]scruple their veto in legislation but they propose to extend their prerogatives; they are going to lay their hands upon finance, and if they choose they will reject or amend the Budget. I have always thought it a great pity that Mr. Gladstone made a compromise with the House of Lords over the Franchise Bill of 1884. I regret, and I think many of my hon. friends in the House of Commons will regret, looking back upon the past, that the present Government did not advise a dissolution of Parliament upon the rejection of the Education Bill in 1906. A dissolution in those circumstances would not merely have involved the measure under discussion, but if the Government of that day had received the support of the electors at the poll their victory must have carried with it that settlement and reform of the relations between the two Houses of Parliament which is necessary to secure the effective authority of the House of Commons. That is the question which, behind and beyond all others, even the Budget, even Free Trade, even the land—that is the question which, as the Prime Minister has said, is the dominant issue of our time.

Opportunity is fickle, opportunity seldom returns; but I think you will agree with me [355]that if the House of Lords, not content with its recent exploits with the legislative veto, were to seize on the new power which its backers claim for it over finance—if,

not content with the extreme assertions of its own privileges, it were to invade the most ancient privileges of the House of Commons—if, as an act of class warfare, for it would be nothing less, the House of Lords were to destroy the Budget, and thus not only create a Constitutional deadlock of novel and unmeasured gravity, but also plunge the whole finance of the country into unparalleled confusion, then, in my judgment, opportunity, clear, brilliant, and decisive, would return, and we should have the best chance we have ever had of dealing with them once for all.

These circumstances may never occur. I don't believe they will occur. If we only all stand firm together I believe the Budget will be carried. I believe the Budget will vindicate the strength of the Government supported by the House of Commons. I believe it will vindicate the financial strength of this great country. I don't believe, if we pursue our course without wavering or weakening, there is any force in this country which can stand [356]against us. The Conservative Whip in the House of Lords, a friend of mine, Lord Churchill, said the other day that the House of Lords when they received the Budget would do their duty. I hope they will. But in any case be sure of this—that the Government and the House of Commons will do their duty. Then if there is anything more to be done, see that you are ready to do your duty too.

FOOTNOTES:

[19]Since the date of this speech the new concessions, doubling the allowance exempted from income tax for the expenses of agricultural estates, have been made public.