PROPERTYSHARE
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MORE MONEY FOR THE PEOPLE

A Tale of Two UK Budgets

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More Money for the People

In 1909, the gap between the workers and the rich was pretty extreme. I'm sure you know that.

But did you also know that in that same year, Winston Churchill decided to do something about it. A new radical plan. It was called the People's Budget.

More than 100 years later, technology, automation, and global trade have changed the economy. And yet extreme inequality is still with us.

The message of the 1909 reforms is still relevant today: a strong country depends on shared prosperity.

A Tale of Two Budgets: Then and Now

Then

In 1909, Britain's government revenue totaled £156 million. Mostly from taxes on income and trade. Spending was £158 million, leaving a small deficit of £2 million.

Year	Revenue	Spending	Difference
1909	£156 million	£158 million	£2 million deficit

But what made the 1909 budget special was its purpose.

For the first time, the government planned to focus its spending on social welfare. It funded pensions, public housing, as well as education and health programs for working families. The first time ever.

To fund it, Winston Churchill demanded a couple of new taxes: super tax, petrol tax and motor vehicle licences. And a small – very small – increased contribution from the land holders.

There was uproar about funding pensions from such a source as land.

The People's Budget was a bold idea that national wealth should serve the people, not only the wealthy. Though controversial, it laid the foundation for the modern welfare state.

Just as an aside, there are hundreds, if not thousands, of books written about Churchill. None mention his advocacy and full support for the introduction of land taxes.

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What did it do?

The people's budget raised revenue from the economic rent of the country.

Economic rent, as explained in Geoffrey Lee's *The People's Budget*, is the unearned income that arises not from a site owner's effort but from the community-created value of land.

The People's Budget raised taxes on the rich. Its main goal was to reduce inequality and help working families. This was the aim of the land tax on the landholders.

Merely a halfpenny in the Pound. Insignificant. Almost nothing in fact.

But it created a furore. How dare the government collect the nation's economic rent from the landholders. And give it back to the people by way of a retirement pension, more housing built, better education for the masses and a genuine free health-care system.

Needless to say, the revenue planned from the landholders didn't pass the House of Lords where most of them sit. It was 'modified'.

It also created a constitutional crisis in the country AND only the second time ever that all the lords decided to turn up 'en masse' and actually vote (against it).

The social welfare spending provisions remained though and had an effect.

In fact many historians believe this budget not only improved social welfare, but also helped prevent the immediate future unrest by reducing class tensions.

Here's what Robert Lloyd George, the son of David Lloyd George had to say about it, as quoted in Lee's book *The People's Budget*,. (David Lloyd George assisted Winston Churchill in wanting the 1909 budget passed.)

> *"Some historians argue that the introduction in 1908 of old age pensions, and unemployment benefits, for the very poorest class in Edwardian Britain, made the difference ten years later between revolution and democratic 'evolution.'*
>
> *Under Lloyd George's premiership in 1918-22, Britain experienced social dislocation, strikes, high inflation and unrest, but did not follow Russia and Germany towards revolution. The safety net held..."*

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Theresa May, member of the House of Lords of the UK (left) and Donald Trump pointing at the bust of Winston Churchill at the Oval House.

Now

By 2025, the scale is far larger, but the goals sound familiar. And the gap between the workers and the rich is still extreme. The United Kingdom's total government revenue is projected to be £1.23 trillion, with spending of £1.34 trillion, leaving a deficit of about £106 billion.

Year	Revenue	Spending	Difference
2025	£1.23 trillion	£1.34 trillion	£106 billion deficit

The government now spends hundreds of billions to support healthcare through the NHS, pensions, welfare, and education. It also funds defence, housing, and infrastructure.

Unlike in 1909, revenue today comes from many sources, including income tax, national insurance, VAT, and corporate taxes. But is still the same in one respect; almost no earnings from land are collected.

This simply means the price of land will continue to go up, and up, and up.

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Even after a century of growth, the same question remains: why do we still have an ever-increasing divide between the rich and the poor?

The People's Budget tried to close this gap. That challenge still defines Britain's future.

Here's what Rachel Reeves could have done

The Citizen's Dividend follows the same ideas as the People's Budget.

It suggests that every citizen should receive regular payments funded from national wealth, such as land rents, carbon taxes, and oil rents.

Countries doing this already include:

In Alaska (US) – The Permanent Fund shares oil revenue with residents. Since 1982, it has paid more than US$25 billion, usually around US$1,500 per person per year.

In Singapore – Profits from Temasek Holdings support social programs. In 2024, Temasek launched a S$150 million T-Spring Fund for education and workforce development.

In Norway – Norwegian Sovereign Wealth Fund worth over US$1 trillion, helps pay for national services like healthcare and education.

The UK could do this too.

Reviving the Spirit of the People's Budget

The original People's Budget was about using the earnings from land to fund social spending.

It was a moral response to inequality, and it worked.

Today's tax and welfare systems are larger but often inefficient and complex. A Citizen's Dividend could simplify social aid, build resilience, and increase public trust.

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A New Social Contract

The People's Budget did more than raise money. It declared that the economy must serve the people. In 2025, the UK has the opportunity to renew that promise.

A Citizen's Dividend is a simple and fair idea: return public wealth to the public.

If the People's Budget built the foundation of fairness, the Citizen's Dividend can complete it for the modern era.

The resources exist. What is needed now is the will to act.

Best Wishes.

Ollie Sungkar
And your *Property Sharemarket Economics* team.

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SOURCES:

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Britannica – People's Budget

History & Policy - The 1909 budget and the destruction of the unwritten constitution

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Office for Budget Responsibility

Temasek contributes S$150 million T-Spring community gift to advance capabilities in Singapore and build a resilient and future-ready workforce

Norge Bank - Foreign exchange transactions in September 2025

Budget 2025: key points at a glance

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