

---

## NEWS NARRATIVE

---

To use the reference figures of this Department for obtaining continuous news narratives:

Observe the reference figures in any article; turn back to the page they indicate and find there the next preceding article, on the same subject; observe the reference figures in that article, and turn back as before; continue until you come to the earliest article on the subject; then retrace your course through the indicated pages, reading each article in chronological order, and you will have a continuous news narrative of the subject from its historical beginnings to date. ♣

---

Week ending Tuesday, May 25, 1909.

---

### British Politics.

In the British House of Commons, discussion of the items of the Lloyd-George budget (p. 487) is proceeding, and now and again the cable reports a vote. On the 20th the proposed death duties, settlement duties, legacy succession duties, and automobile taxes were adopted, and the piecing out of the deficit with a withdrawal of part of the sinking fund was authorized. For the death duties the vote was 298 to 122; for the settlement duties 300 to 123; for the legacy succession duties 300 to 127; for the automobile tax no pronounced opposition, and for resorting to the sinking fund 203 to 50. The land tax questions had been voted on the week before, but if the result was cabled the report has escaped us. It is given below.

+

In harmony with the spirit of the budget, Winston Churchill, president of the Board of Trade, outlined on the 19th the plans of the Ministry for establishing labor exchanges and state insurance against unemployment. According to these plans there will be about 220 exchanges, with advisory committees representing employers and employes, at an estimated cost of \$1,000,000 yearly the first ten years and thereafter \$750,000. A bill establishing these exchanges was introduced in the House on the 20th. The insurance scheme will be dealt with at the next session. It is to involve compulsory contributions from employers and employes in addition to a state grant. Following the German plan, insurance books will be issued, to which stamps will be affixed each week, and the worker on losing his employment may take his book to the nearest labor exchange, which will either find him work or make him an allowance.

+

T. P. O'Conner, M. P., illuminates the news in his London letter of the 22d, in which, as published in the Chicago Tribune, he says:

Lloyd George is revealing great powers every night, and smashing his critics with the readiness of his responses and by timely concessions reconciling some interests and attacking others.

Winston Churchill also provided a sensation this

week. His gigantic scheme of state insurance and other remedies against unemployment received a chorus of praise from all quarters and was notable besides as proof of the unexhausted vital energies of the Ministry and as revealing its resolution to go on for two or three years more till a program of social reform is complete. The people who talked of a general election as certain this year now talk of 1912 as the probable date.

I always thought there would be a terrible fight over the budget, but the budget is bigger, more drastic, and more daring than I ever anticipated; and the fight, accordingly, will be more terrific than I thought. . . . The liquor trade and the tobacco trade are most resonant in the attack, and they are the most formidable opponents. For the liquor trade is rich, and, what is more important, has behind it two powerful factors. In the first place, the Irish members of all parties must oppose a tax on whisky—not as whisky and not in the desire to oppose the spread of temperance, but because whisky has become about the only industry left to Ireland by the evil laws of the past.

The 100 Irish members are a considerable addition to the difficulties of Lloyd George, who is engaged in a struggle so supreme and so vital that he requires all the help he can get, and that help he would have got most cordially if it had not been for this unfortunate whisky tax.

The liquor interest has even more powerful backing in the workmen of England. Nobody in the world hates so much any interference with its pleasures, and even a halfpenny or penny added to the price of beer or of tobacco will produce a big growl from all the artisans of the country. These emotions are, of course, being steadily fanned into flame by the wealthy distillers and brewers anxious to fight for their property. And as the Liberal party finds its main support in the working classes this is carrying the war into their camp in a formidable way. . . .

Turning to the wealthier propertied classes, their fury knows no bounds. The proposal for the first time in English life to put a tax on what is called the unearned increment, looks to them like the first invasion of the mighty cohorts that march under the banner of the late Henry George. Joined to this is the increase of the tax on big incomes; so that altogether the rich man sees before him an amount of increased taxation that is a serious attack on his comforts and luxuries.

Smaller taxes produce other enemies, such as the taxes on automobiles; and altogether Lloyd George has a big army of frantic opponents. But it must be added that he has also a large army of fanatical friends. The budget has come as a welcome surprise and as a great trumpet call to battle to all the friends of the Liberal party. First, it is the answer of the Liberal party to the absurd and violent assertion of their powers of wrecking Liberal legislation by the House of Lords. Last year the Lords rejected a licensing bill; this year they will have to swallow a big license duty, which is more oppressive to the liquor interest than the licensing bill. Last year the Lords rejected a land valuation bill; this year they have to swallow it in the budget. Representing the rich and the idle the House of Lords is confronted with a budget which mulcts every rich man more than he has ever mulcted before. Representing the

landed class, the House of Lords is confronted with the first real land tax since the Norman times. Never did the popular party and the popular Ministry strike back a heavier blow for the accumulated insults of generations, if not centuries. It is around this budget then that at last the Lords and the Commons are to fight out their secular struggle.

The budget appeals to the Liberals in other ways. Most of them have been clamoring for years for a tax on the unearned increment, as it is called, of the land in the towns. It was John Stuart Mill who first suggested this method of taxation. Since then his proposals have received enormous corroboration from the vast accumulation of wealth in a few hands which have taken place in many big new towns and in some old ones. The prospect of making these big landowners pay their share of the taxation of the country delighted the radical heart, especially in view of the hollow and dishonest cry for more Dreadnaughts which these same classes recently raised.

There is, for all these reasons, a spirit of pugnacity and hopefulness in the Liberal ranks such as there has not been for several years, and even losses at by-elections do not damp their confidence. Energy has succeeded to despair; union to discord.

+

Advices by mail tell of the adoption of the land-tax proposals of the budget on the 12th. Lloyd George had made the motion on the 11th by resolution in this form:

That on and after the 30th day of April, 1909, the following duties be charged in respect of land: (1) A duty on any increment value accruing after the said date at the rate of £1 for every full £5 of that value, the duty to be taken on the occasion of the transfer, or the grant of a lease of the land, and on the occasion of the death of any person where the property passing on his death comprises any such land, and in the case of land belonging to a body corporate or unincorporate on such periodical occasions as Parliament may determine; (2) a duty on the value of any benefit accruing to a lessor by reason of the determination of a lease at the rate of £1 for every £10 of that value; (3) an annual duty in respect of the capital site value of land which has not been developed for building or other purposes, and the capital value of ungotten minerals, at the rate of one halfpenny for every £ of that value.

The debate on this resolution was interesting. Mr. Mason protested that there is no monopoly in land. Dundas White said that any one who thought land was cheap should try to buy some. Mr. Pretyman thought the great burden would fall upon small owners. Keir Hardie (one of the leaders of the Independent Labor party) closed the discussion for the night, saying that—

this was not the last that would be heard of land taxation for national or for local rate purposes. He was glad this budget was called socialism, because it was robbing that term of much of its terrors—it was popularizing the term. If the land of the country had all along borne its proper share of taxation, the burdens upon industry and labor would be lighter than they were to-day. The rating value

of the land upon which London was built had increased in thirty years from £20,000,000 to £43,000,000. Nearly the whole of this increment was due to municipal socialism—the making of roads, drainage, and the opening of parks, all done at the public cost—and it was only right that it should be taxed for the public benefit. The Labor party would support the resolution, hoping and expecting it would be the forerunner of many similar resolutions in the future. This budget had unmasked the tariff reform movement. Tariff reform now stood out in all its nakedness as a device to extort more from the laboring poor in order to protect the interests of the rich.

The debate was resumed on the 12th. Harold Cox contended that land is the same as other classes of property and should not be subjected to special tax burdens. Josiah C. Wedgwood (president of the English League for the Taxation of Land Values) charged unemployment to shortage of land, and said it was time the ancient privileges of land were cut down. Loud protests from the Conservatives were made when Lloyd George moved closure on this subject, and Austen Chamberlain attacked him bitterly; but his closure motion was carried, and the resolution for land value taxation as quoted above was then adopted by 330 to 120.

+ +

#### Progress Toward a Federated South Africa.

The Draft Constitution for a Federated South Africa prepared by the Convention which met at Durban last October (vol. xi, p. 732; vol. xii, pp. 208, 252, 275, 492), has been approved, with suggested amendments, by the legislatures of the several South African states, and on the 3d came again under consideration by the Convention, meeting in second session at Bloemfontein. The Convention sat for two days, and adopted various amendments. These include provision for free trade throughout the proposed Union; for elimination of most of the proportional representation proposed in the original draft (p. 275); and for the striking out of the words "of European descent" in the phrase in section 139 which reads, "All persons of European descent who have been naturalized in any of the colonies shall be deemed to be naturalized throughout the Union" (p. 492). The Convention delegates added a recommendation that delegates who will proceed to London to represent South African Governments during the passage of the Union Bill through the Imperial Parliament, shall be authorized to agree to necessary amendments which do not involve a change of principle. The old racial lines between Briton and Boer are declared by the Governor of Cape Colony, Mr. Merriman, to be wiped out by the proposed Constitution.

+ +

#### The French Strike Comes to an End.

Although, as reported last week (p. 493), the strike of the postal employees was losing ground,