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A Weekly Narrative of History in the Making

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EDITORIAL

The British Budget.

Inadequate and unintelligent as are the cable reports on the features of the British budget which they vaguely describe as socialistic and revolutionary, it is possible to infer somewhat of their significance, as we have tried to do this week in our News Narrative department. The howls of the reactionary press, as well as the expressions of editorial satisfaction which the cable reports quote from the progressive press, such papers as the London News and the London Chronicle, would be pretty conclusive evidence in themselves that Asquith and Lloyd-George have not disappointed the reasonable expectations of their progressive friends. The advocates of land value taxation, at any rate, appear from the meager reports that reach us to have no reason to complain. Assuming these reports to have been correctly interpreted in our news columns, at least three broad concessions have been made to the movement for the taxation of those fundamentally social values.

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Some tax seems to have been laid upon the value of natural mineral deposits; and whether it be little or not, is a matter of minor consideration. As it is levied upon the theory that this species of property is common property, the rest is, as Henry George used to say, only "a matter of keeping on." The same thing is true of the small tax of a half penny in the pound sterling of the capitalized un-

improved value of all land (one cent in 480 cents), and of the 20 per cent tax on future increases of value. This would be by far the most important official proposal for the taxation of land values that has ever been made.

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Even the small tax of one cent in 480 of present capital value (about 2/10 of one per cent) would make it very difficult for the big English landlords to hold their great domains out of use while English workingmen suffer for want of work. It must be remembered that the land tax in Great Britain has heretofore been so small that even this half penny in the pound of capital value would come with a shock to the land monopolist. And when in addition he learns that of any increase in capital value the government will take one-fifth every year, the shock will seem to him like a fatality. Should these provisions be adopted and maintained, the half penny tax annually on present capital values of land, and the 20 per cent tax annually on future augmentations of capital values, would in themselves nearly destroy land monopoly evils; and the almost certain increase of both taxes would soon make that destruction complete. One necessary step in the procedure, provided for in the budget,—the Imperial appraisement of land values, or as Joseph Fels describes it, a "national separate assessment,"—in itself carries the principle of land value taxation into the taxbooks of the Empire.

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Unless we have misread the cable reports, the British budget fully warrants all the hysterics of the Tory press and justifies the satisfaction of the progressive press. For in that case the economic revolution has indeed begun in Great Britain. We shall await detailed reports with much interest.

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Insurance against Taxation.

In England there has been extensive insurance recently against loss from changes in taxation. The general principle was introduced over here, it will be remembered, in connection with the presidential election. Policies were taken out against business losses from the election of Bryan. As a business venture the policyholders insured against the wrong calamity. If their insurance policies had covered losses from Taft's election, they would have been in fine financial feather now. But that kind of insurance, when it got over to our side of the water, was in truth merely a cover for election gambling, and, worse still, for influencing

the election corruptly in the false guise of legitimate insurance. We fear that if the custom of insurance against loss by changes in the tax laws were once to obtain in the United States, it would be diverted to extremely evil purposes. As the consumer could not very well be insured against losses from higher prices through taxation, the insurance would furnish a financial refuge only for speculators who thrive upon high taxation—the protected "producers," for instance. Consequently insurance would be a mere consolidating scheme against reductions in plunderous taxation and in support of higher rates. It would establish an almost invincible financial mechanism for corruptly maintaining systems of Big Business plunderation in the name of taxes and under the guise of insurance.

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Scholastic Protectionists.

It is "up to" the college professors who disputed Byron Holt's statement of a couple of weeks ago at Columbia University, that the economic professors in our universities are shackled by financial interests, to answer a few questions now propounded by him. At the meeting of the Free Trade League at Boston last week, Mr. Holt repeated his Columbia statement, and after quoting the denials of his professional critics, and their assertions that economic professors who have lost their chairs were victims, not of hostility to their independence in teaching, but of their own inefficiency as teachers, he said:

Did Prof. H. C. Adams lose his position at Cornell because of inefficiency or for any other well-founded reason other than that his views on public questions did not meet the approval of Henry W. Sage and other patrons of Cornell? Has he not since, in Michigan University, and in the government service, shown remarkable ability and efficiency?

Was Prof. John R. Commons forced out of Syracuse University for inability, inefficiency, or other proper reason? Has he not since demonstrated great ability and efficiency?

Did Dr. E. Benjamin Andrews "resign" the presidency of Brown University because of inability or inefficiency, or because his views on the money question differed from those of the financial powers behind the college? Has he not always been a model college officer, so far as learning, discipline, and conduct are concerned?

Did Edward A. Ross leave Stanford University because he was not an able and efficient teacher, or because he taught doctrines not in accord with the views of Mrs. Leland Stanford?

Was Prof. William G. Sumner of Yale forced out of the chair of political economy and into a minor position as a teacher of an insignificant branch of sociology because of inability, inefficiency, or for any other sound reason? Was there any connection between this degradation of the most capable, most