

# The Public

A National Journal of Fundamental Democracy &  
A Weekly Narrative of History in the Making

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## EDITORIAL

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### Insurance of Bank Deposits.

One must rub his eyes these days to be sure that Bryan didn't win the last election. Here, for instance, is President Taft's Attorney General advising the national banks that they may insure their deposits. The very suggestion was wicked and impracticable less than a year ago. True it is that Bryan proposed to have deposits guaranteed by the Federal government, whereas the Attorney General has reference to insurance companies. But this convenient distinction may be resolved into a plutocratic difference.

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### The British Budget.

For the space given in this week's News Narrative to the speech of Lloyd-George, Chancellor of the Exchequer, in explaining the budget of the Liberal ministry to the British House of Commons, no apology is due. It may well turn out to have been the opening Parliamentary speech of an economic epoch in Great Britain. At any rate it is a matter of no mere local importance. It is of universal concern and ought to be regarded as of universal interest.

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Although Lloyd-George's views of taxation as expressed in his speech are open to academic criticism in some respects, his proposals are along right lines, and for present practical purposes as far reaching as could in reason be desired.

In spirit, his speech recognizes a fiscal difference between privilege and righteous property, and the tendency of the budget itself is toward the principle of taxing the former and exempting the latter. Between earned and unearned incomes the line is pretty fairly drawn, even in the income tax; while nearly all the other taxes also raise the issue sharply between parasite and worker.

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With Lloyd-George's speech fully before us, we may see how profoundly in principle, and effectively in method, even if gently in the amount of the tax, the unearned land values of Great Britain are assailed by this truly progressive budget. The tax on the values of unimproved land is very small, but it is levied expressly for the purpose of forcing such land into use. This is in itself a long stride forward. The tax on the future "unearned increment," as John Stuart Mill called it, is not very definitely explained in the Chancellor's speech. All that clearly appears is that 20 per cent of the future unearned increment will be taken; but whether regularly as a tax, or on occasions of sale or other transfer, is not so clear. Probably the exaction is to be in the nature of a duty upon transfers, or upon each new valuation. But this makes no difference. The important thing in theory is that the peculiar character of land values as community values is fiscally recognized; and the important practical thing is that the capital value of the land is to be ascertained throughout the kingdom, for the purpose of securing a basis for the taxation of that increment of value which is due, not to the owners of land as such, but to society.

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This reform is denounced by the landlord interests and the land capitalist interests, as a virtual adoption of Henry George's theories. The characterization is not much amiss. Landlordism and land capitalism could not long survive the encroachments upon their citadel of strength of which the adoption of this budget would mark the beginning. Even the political struggle, if the privileged classes force the Asquith ministry to resign, would serve a great purpose to that end.

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The Liberal ministry have not only taken a strong position in this budget, as administrators of public affairs; they have taken a strong tactical position in politics. Should the House of Lords reject the land-tax provisions of the budget, they would challenge an appeal to the people upon a

charge against themselves of revolutionary action. Should they reject the entire budget, they would assume the heavy burden of voting down supplies for old age pensions and a stronger navy. Yet if they accept the budget, they consent to the institution of a system of taxation against the encroachments of which the privileged interests of Great Britain would not be able long to hold out. From this distance the inference is obtrusive that as a mere matter of political manœuvring, Asquith has outdone the Tories at a time when they were most confident of overwhelming him.

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#### Documentary Humor.

In the course of enforcement of the land-value taxation laws of South Australia, efforts were made to identify land holdings with their owners. The results were really quite complete, returns having been received the first year from 36,921 out of the estimated 40,000 owners. Yet there was a good deal of complaint by officials, and in his report of 1906 to the British Parliament, the Deputy Governor of South Australia wrote that while many baffling errors had been made by all classes, some of the returns were extraordinarily complete and minute, adding: "We cannot fail to recognize the thoroughness of the taxpayer who returned that piece of land of his measuring nine feet by six feet in the '———— Cemetery,' and under the column 'name of occupier,' gave that of his departed wife."

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#### Responsibility for Poverty.

In one of the more recent leaflets of the New York Association for Improving the Condition of the Poor, of which R. Fulton Cutting is president, an important piece of testimony appears relative to the responsibility for poverty. Under a photograph of a remarkably bright family of little children—a family in which race suicide has been unknown—appears this question:

Shall promising children like these grow up into useful men and women or into physical and moral failures? This depends often on our being able to strengthen the good mother's hands and to hold the family together by timely aid when overtaken by sickness, death or lack of work.

Then comes the testimony from this really competent source: "Careful investigation shows that in 80 per cent of these families the distress is *not* 'their own fault,' and in the rest, it surely is not the fault of the suffering children." And then:

We are coming to see that the lives which fail are very largely the result of imperfect, neglected, social conditions. To this extent they are our failures.