

As the increased expenditure for the two subsequent years has been met without any further taxation, we may conclude that the poor have not suffered by the construction of recent battleships. Indeed one of the special features of the 1909 budget was the proper discrimination between the rich and the poor. For example, the income tax is 1s. 2d. in the £., but abatements are made as follows:

Incomes not exceeding £160 are exempt.

Exceeding £160 but not £400, an abatement of £160.

"	400	"	500	"	150.
"	500	"	600	"	120.
"	600	"	700	"	70.

If the income does not exceed £2,000, the rate is 9d. instead of 1s. 2d.; and 1s. only on incomes between £2,000 and £3,000. All persons who have an income of over £5,000, pay a super-tax (an extra tax) of 6d. in the £ on their receipts over £3,000.

A proper distinction, too, is made between earned and unearned incomes, particularly in the smaller figures. The following table shows the respective taxations:

Income	Earned	Unearned
	Pennies Exempt	Pennies Exempt
£ 160		
200	1.8	2.8
300	4.2	6.5
400	5.4	8.4
500	6.3	9.8
600	7.2	11.2
700	8.1	12.6
2,000	9.0	14.0

By such arrangements as these the taxation of the United Kingdom is being placed upon those best able to bear it.

Turning now to the capability of the wealthy and well-to-do classes in the United Kingdom to pay for their own navy, let it be noticed that the national wealth is simply colossal. The United Kingdom is the great creditor nation of the world. Almost every corner of the globe pays tribute to her. Part of the income of almost every civilized man (and of a good many of the uncivilized) goes to London to pay the great banker her interest. Her foreign investments amount to about £3,750,000,000, and on this she draws every year the enormous revenue of £180,000,000. What does she do with it? Well, as she has nothing else to do with it, she re-invests it. Her new foreign investments last year were about