

expenditure and mainly from those to whom no special service is rendered. A charge on the rental value of land and for other special services, raises the revenue from the fund which its expenditure creates, places the sacrifice where the benefit is received and makes the State self-supporting.

The view, that the selection of Land Values as a special object of taxation is a species of confiscation, either denies the fact that the capital value of land and franchises is largely created by the expectation that the whole community, and not the owners of land and franchises, will be compelled by Government to provide for ever the revenue upon the expenditure of which the value of land and franchises depends; or it assumes that the Government is bound to tax all members of the community for ever, in order to benefit a few members of the community, and that any attempt to proportion the sacrifice to benefits received is unjust and immoral.

The former assumption is contradicted by facts, the latter cannot be brought into harmony with ethical conceptions. To tax non-landowners for the benefit of landowners, is a misuse of the power of the State, is in fact confiscation. To rectify this abuse of power, to take for public purposes funds created by public expenditure, will terminate this system, which is not less confiscatory because it is time-honoured.

The primary sources of public revenue, the only ones which can be defended on ethical grounds, therefore, are the Value of Land (exempting improvements), of Franchises and other Special Ser-

Either course would be fraught with benefit to the community; but, inasmuch as additional labour, at present going to waste, can be procured in every civilised country, the latter course would be pursued. The resulting increase in the demand for labour would lead to a reduction in the competition of labourers with each other, therefore, to a permanent increase of wages, to an increase in the production and consumption of all forms of wealth and, therefore, ultimately, to an improvement in the physical, mental and moral condition of men.

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vices rendered or Privileges granted by the Government to some citizens to the exclusion of others.

These, also, are the only sources of revenue which can be defended on economic grounds.

Charges on franchises and other privileges (*i.e.* issue of bank-notes, etc.) are charges on monopolies. They, therefore, cannot be shifted by the owners of the monopolies with advantage to themselves, and as they fall on the monopoly itself, not on the ownership, they cannot be evaded.

A perpetual charge on the value of land, as long as it does not exceed the annual value of the land, also cannot be shifted or evaded. For such a charge does not fall on all land, but only on such land as possesses a rental value; it, therefore, does not affect the use of marginal land, which has no value. It takes for the community a part or the whole of the annual value of the valuable land, and, therefore, reduces or abolishes the tendency to keep valuable land out of use or full use. The use of such land requires either the employment of additional labour, or, if no additional labour can be procured, the withdrawal of labour from the less to the more productive lands.

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