

where is labour to find employment? On the land? But the land is the private possession of a few, and our laws encourage and permit those few to hold their lands out of use. In truth, labour can find no employment anywhere except on land or in adapting the products that have been won from the land, and it is imperative that some step be taken to secure that all land is used as fully and adequately as possible.

These problems must sooner or later be faced, and most likely in the near future, for there is general agreement that the financial position of the country requires that more revenue should be raised by taxation. When Parliament meets this month its most important business may be to consider the proposals of the Chancellor of the Exchequer.

War time is not an auspicious period for any reform, but it is not the fault of advocates of taxation reform that the war has made it all the more necessary and urgent. This occasion must not be allowed to pass without a protest against the attempts that have been made, and no doubt will be made in the future, to impose fresh burdens upon the poor and place fresh obstacles in the path of industry. The Land Values Group in the House of Commons can be relied upon to meet in debate those who bring forward such schemes, and in the constituencies we look to every agency and every man and woman pledged to the taxation of land values to speak out in plain language the terms of their alternative plan for raising additional revenue.

Apart and distinct from the Group, the Labour Party in the Commons should also be a force to be reckoned with. They claim to represent working-class opinions and interests, and they know how severely a tax on existing adjustments must press upon the wage earner and the poverty stricken. The Labour Party we know have other remedies for poverty in their programme; but these we need not stop to discuss at this time. The issue is now definitely raised between taxing labour and taxing monopoly, and it cannot be avoided. This is the greatest opportunity that has come to the Labour Party, since their entrance into politics, of defending the workers and of making good their claim to represent the interests of labour. Having admitted by signing the Land and Taxation Reform Memorial that the taxation of land values is a just method of finance, they are bound to use to the utmost all the power with which the electors have entrusted them to secure that the new taxation is raised in this way and not by taxes on labour. If they choose to exert this power they will be successful; if they do not choose to use it they will have most grossly betrayed the interests of those who sent them to Parliament.

THE SOCIAL DEBT

The value of any given parcel of land is nil until at least two people desire to use it, after which its value is increased in proportion to the number of people who desire possession of it. Therefore, it must be the people composing the community which creates the value of the land.

When people joined organised society they gave up certain personal liberties for the protection and benefits which organised society offered, such as police and fire protection, the privileges of owning and enjoying movable and immovable property, which, under unorganised society, if left behind by one owner, became the property of the next person who was physically able to seize and defend such property.

In unorganised society ownership in any property was defended with the life of the owner, but under organised society we have laws which protect ownership in property and relieve the proprietor from constantly packing about his earthly possessions and continually defending his right to enjoy them with his life.

In order to afford such protection and benefits, organised society incurs certain legitimate expenses, which, being incurred in the interests of the community, should quite naturally be defrayed by a tax upon values created by such community. This is what the site-tax advocates desire to accomplish.

Under this system, we do not tax any values created by man's industry and labour, but we would tax, for the benefit of the community, the values created by the community.

This is the site-tax doctrine in a nutshell.

ROBERT K. MCCORMICK.

THE FUNCTION OF RENT

It is sufficiently obvious that the share of the rent of land, which may be taken to defray the expenses of government, does not affect the industry of the country. The cultivation of the land depends upon the capitalist, who devotes himself to that occupation when it affords him the ordinary profits of stock. To him it is a matter of perfect indifference whether he pays the surplus, in the shape of rent, to an individual proprietor, or, in that of revenue, to a government collector.

In Europe, at one period, the greater part of at least the ordinary expenses of the sovereign were defrayed by land which he held as proprietor; while the expense of his military operations was chiefly defrayed by his barons, to whom a property in certain portions of the land had been granted on that express condition. In those times the whole expense of the government, with some trifling exception, was therefore defrayed from the rent of land.

If a body of people were to migrate into a new country, and land had not yet become private property, there would be this reason for considering the rent of land as a source peculiarly adapted to supply the exigencies of the government: that industry would not by that means sustain the slightest depression; and that the expense of the government would be defrayed without imposing any burden upon any individual. The owners of capital would enjoy its profits; the class of labourers would enjoy their wages, without any deduction whatsoever; and every man would employ his capital in the way which was really most advantageous, without receiving any inducement, by the mischievous operation of a tax, to remove it from a channel in which it was more, to one in which it would be less productive to the nation. There is, therefore, a peculiar advantage in reserving the rent of land as a fund for supplying the exigencies of the state.

JAMES MILL (1820).