

tice?" The direct reply is an emphatic "No." In all taxation there must be injustice, under every system hard cases. The necessity of mentioning this point is irritating, but there is so much unthinking clamour when taxation is debated, and exceptional cases are so continually adduced as evidence of general injustice, that it is essential to lay down clearly that Justice in taxation is never attainable, and that our object must frankly be approximation to Justice, and our plans be dictated by that consideration. Our problem, then, is how far a Capital Levy can be made in a way to fulfil the requirements of Adam Smith's first canon of taxation:—

"The subjects of every State ought to contribute towards the support of the Government as nearly as possible in proportion to their respective abilities—that is, in proportion to the revenue which they respectively enjoy under the protection of the State."

Treatment of Large Incomes.

As between capitalist and capitalist, graduation of tax according to capital possessed will meet the difficulty of injustice, leaving to be considered the question of an equitable adjustment of the burden of taxation for debt redemption, as between the capitalist and the non-capitalist. In this connection the typical case that must occur to most minds is that of the citizen possessed of personal gifts which enable him to earn a large income, gifts frequently accompanied by a temperament which leads him to spend his money as fast or faster than he makes it. Let us once more fall back on our old friends Brown and Jones. The former has a capital of fifty thousand pounds bringing him in an income of £2,500 a year, the latter is a professional man earning four times that income.