

under the present system of taxation the National Debt causes unjust differentiation between taxpayers.

Let us continue our investigation of the case of Messrs. Brown and Jones. The latter has lent to the Government £100, on which he receives £5 per annum interest. As Government has to pay this interest it imposes an additional £2 10s. per annum tax on each of the pair. Therefore, Jones in reality pays half his interest to himself. Government abstracts from his right-hand breeches pocket £2 10s. and pays over to him £5 to put into his left-hand pocket. It procures the additional £2 10s. from the right-hand breeches pocket of Brown. Therefore Brown pays half of the £5 per annum Jones receives from the Government. Jones is a National Creditor. Brown and Jones are both National Debtors. Brown is a mere debtor, whereas Jones is a creditor-debtor. Now, in the Nation the Browns outnumber the Joneses by 10 to 1; they form the great mass of the population; they contribute to the taxes as shown earlier out of all proportion to their wealth, and the effect of a National Debt is to fasten upon them the bulk of the burden of the interest payments made to Jones. For example, if the £5 tax for interest payment be split equally amongst nine Browns and one Jones, each citizen pays 10s., so Jones's £5 represents a contribution of 10s. out of his own pocket and £4 10s. out of his neighbours', some of whom may be war widows and similar poor folk. It is all, as our present Premier says, "in the family"; the Debt is owned and owed in the family. The generalisation is delightfully broad, but is the Premier's a just and scientific way of looking at the question? In his work, "The Standard of Value," published some forty years ago, William Leighton Jordan directs attention to this difference between the National Creditor and the National Debtor, and its coincidence with a class division of the Nation. Our