

ful appeal to the selfish element in the unpropertied classes, and ignoramus abound in all classes.

Having ruled out repudiation, we must fall back upon repayment, which brings us to the question, "Can the Nation raise by a Capital Levy a sum sufficient to repay the Debt?" This brings us back to John Stuart Mill and his dictum that the Fundholders are "mortgagees on the general wealth of the country." Who are our Fundholders to-day?

1. Foreigners holding .....	£1,500,000,000
2. Citizens holding .....	6,500,000,000
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	£8,000,000,000

Now, the foreigner can be repaid only by a transference to him of capital assets equal in value to the mortgage he holds. If those assets include interest-bearing securities, the interest of which is payable by English enterprises, we remain indebted to the foreigner to the value of the capital represented by such interest payments. But the citizens' (or internal) Debt can be extinguished without one penny of goods or money quitting the country; by rearrangement and redistribution of the country's wealth. Any such a rearrangement should, however, be in consonance with the principles of justice and equitable taxation both for economic and ethic considerations. Let us take a simple concrete example of how this could be effected as between two wealthy citizens.

The total property of Brown is worth a million sterling. Of this, £400,000 is in War Loan. Jones, also a millionaire, has his property entirely in land. A Capital Levy of 20 per cent. is decreed. Each man's property is now liable to Government for £200,000—that is to say, Government creates in favour of itself a mortgage on these two citizens' properties, and simultaneously calls the mortgage in. The Government