

If a Capital Levy is to be made which would absorb a fifth of Brown's capital, so permanently reducing his income by £500 a year, is it just that Jones should escape untouched because he spends as fast as he makes? A remedy for this evident injustice should be devisable. A comparatively easy way would be to compel Jones to capitalise himself. Suppose, for example, Jones be assessed on a goodwill basis, and his income of £10,000 be valued at five years' purchase, or £50,000. Jones, then, becomes a debtor to the Government for £10,000. But Jones has not the money to pay. The Government allows his Debt to be redeemed by five annual instalments of £2,000 plus interest at 5 per cent. But if Jones die in the interval? Life Assurance Companies issue on easy terms policies for short periods. The Government might charge Jones an additional 2 per cent. per annum on the money he is liable to pay them, raising his 5 per cent. to 7 per cent., and this additional charge would cover the risk of Jones's death within the period of five years in which he would have to redeem his Debt of £10,000. Jones's position would then work out as follows :—

Annual Payment to Government .....	£2,000
First Year's Interest .....	500
Insurance Premium .....	200
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First Year's Payment .....	£2,700

Each year his payments would diminish as his Capital Debt was redeemed until it was extinguished. In effect, against Brown's cash payment to Government of £10,000 down Jones would pay a special heavy levy out of his income, and so the injustice that would otherwise arise in the case of the two men would be obliterated. I merely instance this as one of various ways which might be devised to meet the injustice which an unthinking and indiscriminating Levy on Capital might produce.