

old community like ours is acquired by inheritance, and the greater part of this Capital Wealth is usually retained in its Passive or its reserve form. Moreover, the prosperous Trader or Manufacturer rapidly accumulates more money than he can use in his business, and becomes an Investor, or Passive Capitalist, instead of a mere Active Capitalist. Wealth being held in such vast masses, there is no great pressure upon its owners to employ their wealth as Active Working Capital in a business under their personal direction. Now, it is the maintenance or increase of industry (with its resultant production of goods) that enriches a Nation, or, conversely, it is the restriction of Industry and Production that impoverishes a Nation. Legislation and Taxation should be dictated by consideration of the above-mentioned facts, and attention concentrated upon the point of in no way damaging Production. Therefore, the Active Working Capital of the Nation should be trenched upon as little as possible, but both this and its owners should receive the most generous treatment if a Nation is to maintain its existing prosperity and increase its future prosperity.

On Whom Should the Levy Be Made ?

Let us see where the wealth of the Country on which the Levy must be made lies. Tables 16 and 17 of the Inland Revenue Report give valuable and detailed information on this point. The following table is based on those tables, but the 31 classes of estates dealt with have been condensed into six leading and representative classes, which, for the sake of easier reference, have been specified as A to F. Columns have been added giving the number of Capitalists that may be presumed to exist in each class and the average of Capital possessed. The total amount of Capital presumably owned by each class is also shown; these figures have been calculated out on the basis of the ratio of the Living to the Dead, taken as before