

fact that in our thinly populated Dominion, with its enormous and only partially developed resources and with comparatively little capital which can be employed at a good rate of interest, it is not to be expected that a Government loan will find a sale at three or four per cent., and consequently Mr. Tilley had to cross the Atlantic in order to borrow money from England, where interest is low and surplus capital seeking sound investment plentiful. The result of this is palpable—namely, that for said loan Canada will each year have to remit the interest thereon, which interest is so much money lost to her and gained by England. That this is so has been clearly demonstrated by the financial straits which the people of the United States found themselves put to after the rebellion in consequence of having borrowed money abroad instead of consolidating their debt at home. They thus had to pay a heavy amount of interest annually to foreigners, which otherwise would have circulated within and benefited their own people. Paradoxical as it may appear, England's debt is an absolute advantage to herself, serving as it does for an investment, the interest of which is an income to thousands of her population, and the security the best of all, because it is the people owing themselves the money, so to speak. Repudiation is therefore utterly out of the question, because it would be suicidal, or, to use a homely phrase, "cutting off one's nose to spite one's face." There is no more extraor-