

the society, that would be so whether the capital was sent here for investment or the Government went where it was, with this difference, that the efflux would be greater if borrowed at home.

Mr. Wallace, perhaps, means that the required loan should be borrowed from our own capitalists without the introduction of foreign capital. Such a policy is impossible; and if attempted could not fail to be a most disastrous experiment in financiering. There is not capital to spare in this country; if there was we would not be borrowing in foreign markets.

Suppose that the Government floated a loan in the home market for \$10,000,060 for the purchase and equipment of a navy, and the competition was limited to home capitalists. It is obvious that this large sum must be withdrawn from existing employments, for we have no capital to spare, no hoards, no unemployed capital to fall back upon. This would greatly depress labor if foreign capital did not flow in to fill up the vacuum, or if a proportional number of laborers did not join the marines. Mr. Wallace will answer the capital has only changed hands, the money is only transferred from one hand to another, and still remains in the country. This is looking at one side only of the picture. It is true that the capital is still in the country in the form of ships, machinery, tackle, etc. It has been withdrawn from the wage fund and consumed unproductively.

#### THE GOVERNMENT MAY ISSUE THE CURRENCY.

There is no doubt but the Government might legitimately take to itself the issue of the whole circulating medium, without detriment to the society, nor yet without any very signal advantage. The public benefit would consist in saving the interest on the gold or other securities held as bank reserves, if the Government were absolved from that necessity. Or the Government might charge two or three per cent. on all bank issues above their reserves and other securities. It is also practicable for the Government to issue legal tender or inconvertible notes without endangering their depreciation, but this subterfuge would confer no other advantage than the interest on the gold reserves for the redemption of convertible currency.

#### MISTAKEN NOTIONS ABOUT WEALTH.

"Again, why is it that we who have more wealth in this country than England have, however, to go to England to borrow money? Do not all our fertile lands, our forests, our minerals, constitute wealth?"

Had not the aborigines these same fertile lands, forests and minerals? yet they have never been accounted a very wealthy community. Were they not, and are they not still, in the midst of all this so-called wealth the most wretched of the human race?

#### USE ALONE DOES NOT CONSTITUTE VALUE.

"A man would give all the gold in the world, if he had it, for a loaf of bread when he was starving, or a drink of water when he was a thirsting."

To which Mr. Wallace might have added, and for a mouthful of air if confined in a dungeon from which the air was excluded, or if drowning.