

THE NAVAL DEFENCE OF CANADA AND THE EMPIRE

THE ISSUE BEFORE CANADIANS AND THE ATTITUDE TAKEN BY THE GOVERNMENT AND THE OPPOSITION TOWARDS IT.

The whole discussion of the question by Canada of a naval policy requires as a foundation a clear statement of the case for doing anything at all. Some Canadians are reluctant to see any measures whatever taken for naval defence, and it is necessary to lay before those who hold this view the situation as it appears to those who urge action.

The first question is whether Canada has any interest in the maintenance of the security of the British Empire, and more especially in the safety of the British Isles. We may put sentimental reasons aside for the moment and confine ourselves, in this portion of the treatise at least, to purely business considerations.

GREAT BRITAIN AND CANADA.

Great Britain is of importance to Canada for three reasons among many.

1. She is Canada's largest market, and her governing market; the flow of Canadian products across the ocean to Great Britain gives them their price.

2. She is Canada's source of supply of capital; she has sent vast sums of money to Canada, she is doing it now, and if Canada is to continue to prosper Great Britain must continue for a long time to invest money in her. It is true that many Canadians say that no thanks are due to Great Britain for this, inasmuch as she lends because the security is good and the interest is repaid. Concerning this it is to be said:—

(1) That eminent British authorities on finance assert positively that Canada gets her money from Great Britain at rates of interest about 1 per cent. lower than would be the case if she were outside the British