

the Government, and that the Government, having borrowed the money in the first instance, pays interest annually on the loan. Since the Government would then receive interest and pay interest on the same sum, it becomes evident that the nation has suffered no loss of wealth by the internal transference, nor can it be held, in a reasonable sense, to have expended any part of its wealth.

In the second example, there is an actual transference of wealth from Great Britain proper to India; and a correct answer to the question whether the nation has expended a part of its wealth, must be dependent on the meaning attached by the enquirer to the expression *nation*: whether by it he means to *include* or to *exclude* the inhabitants of India.

In the third example, the nation utilizes a portion of its wealth, speculatively, in the endeavour by influencing the course of events outside its own territory . . . to bring about or to determine a certain future event favourably to its own interest. In this case, therefore, the *nation*, which buys an event presumptively beneficial, actually expends a part of its wealth as the purchase-money.

Your obedient servant,

KUKLOS.

LONDON, *March 16th*, 1878.