

even as it is sounder finance for a farmer to build a barn by economising in his current expenditure than by taking an overdraft from his bank. The third argument, that the interest being raised within the Nation no loss to the Nation is involved, I shall deal with a little later in connection with other considerations that this plea raises.

Now, our present Debt is a War Debt, and against it the Nation has to set not one penny of solid assets. To urge, as is sometimes done, that future immunity from German aggression is an equivalent economic gain for our vast material expenditure may serve for academic discussion, but a man conducting his business on parallel assumptions would soon be bankrupt. To regard our War Debt as an asset is as unsound as to return as "cash in hand" a half-crown dropped over London Bridge. But our question, What would be the resultant economic gain of abolishing the Debt? involves the two further questions, Is the Debt an economic burden? and if so, Is the burden computable? These incidental questions must first be answered before our answer to the main question can be determined. With this object, the next step in our investigation is an inquiry into the Capital Assets of the Nation, their nature and their value.

The Nation's Capital Assets.

The report of the Commissioners of Inland Revenue for 1915 contains in Tables 26 to 28 particulars for the years 1904-5 to 1914-15 inclusive, of the Capital Values passing for Estate Duty. An examination of these tables shows that we can take the year 1914-15 as fairly representative of the current decade. During the latter period of the war these tables do not appear in the Commissioners' annual reports, therefore we must fall back upon the figures for 1914-15 as the latest available. Table 20 of the same report summarises as follows,