

be solved. I do not assert that the above hypothesis is the solution of a baffling problem, but I would suggest that it may be, and that its investigation is worth attention.

We have now arrived at a rough estimate of Total Individual Capital and Effective Capital Wealth of the Nation. Comparing "Total Individual Capital" with "Effective Capital Wealth of the Nation," we find that the former exceeds the latter by some three thousand million pounds. Therefore this amount of Individual Capital is represented by no solid National Assets, but is merely "a claim by A on the wealth of B."

The object of our immediately preceding researches was to ascertain two incidental questions, the answering of which bears upon Question 2 of our main series, "What would be the resultant gain of abolishing the National Debt?" These two questions are:—

Is the Debt an economic burden?

Is the burden computable?

Perhaps the best answer to the first question is a question in reply. What are the effects of National Debt on other borrowers? Obviously, the soundest borrower in the Nation is its Government. Therefore, whatever rate the Government will pay for money, other borrowers must pay more, the rate varying in proportion to their reputed wealth and solvency. If Government as a borrower be off the market, other borrowers will proportionately benefit. If England to-day were free from National and Municipal Debt, I suggest that money ought to be procurable on First-class Mortgage at 2 per cent. or less; the rate of return on Preference Capital should fall to 3 per cent., and money at 5 per cent. be freely available for