

differ as to the cause of it. And many people differ from all four of them, believing that the war was got up by the Government to divert attention from the Berlin fiasco, to win a cheap military success and then go to the electors to the sound of trumpets.

But the rebellion in the Cabinet, and the growing discontent in the country notwithstanding, the Earl of Beaconsfield is still in luck. The Ameer has found that a quarrel with England is a grave matter, and having received news of the capture of Ali Musjid, he re-wrote his answer to the Viceroy's ultimatum, couching it in less defiant terms. He declares that the Afghans have no enmity against the British Government, and that he is prepared to receive a British mission and treat it well. But the policy of the Viceroy seems to be to read between the lines of this friendly epistle, and find excuse for pushing conquest forward so as to be in a position to demand more when the final settlement has come.

The International Exhibition mania has taken hold of the people of New South Wales now. They have determined to have one at Sydney, and the public and the Government have subscribed £50,000 toward the cost of holding it. Much more than this will be required, of course, but the Australian colonies are anxious to advertise themselves, and have come to the conclusion that to hold an International Exhibition is the most effectual way of doing it. They held a good position both at Philadelphia and at Paris, but say they can do better still. May they succeed.

The Gambetta-Fourtou duel could hardly have been tragic without the aid of an accident, and really the seconds ran a greater risk of being in the way of a bullet than either of the principals. De Fourtou is near-sighted, and anything but an expert in the use of firearms; Gambetta has only one eye, and can handle a pistol no better than De Fourtou. Both can fence with some skill, but they made choice of pistols—or their seconds did for them. M. Robert Mitchel, deputy for Réole, was one of those seconds; he is the longest-legged deputy in the Chamber, and he was called upon to pace the distance which should separate between the combatants,—thirty-five paces it was. On the day of the duel there was a dense fog. And so the two brave men faced each other, and fired in the direction of each other, and then lifted the hat to each other, and went away to receive the congratulations of admiring friends.

It is hard to make heads or tails out of the statements in the papers as to the results of the winding up of the Glasgow Bank. One account, given with every appearance of accuracy, is that the total deficiency will be £7,000,000 sterling: this will have to be met by 1,270 individuals, more than one-fourth of whom are ladies who derived their means of subsistence from the dividends on their shares, and who, having lost their shares, have nothing more to lose. There are 174 trustees and executors, and it is not yet decided that they are personally liable. Then there are 39 clergymen and many retired professional gentlemen, who have no substantial property. So that about one-half of the whole number of shareholders can do nothing towards meeting the enormous deficit. A call of £500 per share has been made, to be paid in full in February next; which call many of the remaining half will not be able to meet. If all should do so, only £2,000,000 out of £7,000,000 will be paid up. Every fresh call will decrease the number of those who can meet it, and the end is out of sight. It looks, on that calculation, as if the creditors had better accept the offered composition of fifteen shillings in the pound.

But from another quarter comes the information that Mr. Jamieson—who appears to be an honourable, keen, intelligent man—has stated that all creditors will be paid in full. When a doubt was expressed, he added that they would receive 5 per cent. interest upon their money. The opinion of the liquidator ought to go for a good deal in the matter, and if he is right it is difficult to see why an appeal should be made to the generosity of those who are outside of it. Where does charity begin in this case? Is absolute poverty harder on the man who has lost thousands than on the woman who has lost hundreds?

There is a split in the Home Rule camp over in Ireland; Mr. O'Connor being the latest schismatic, denouncing Mr. Butt as a traitor to the cause. I simply state this fact in the way of journalism, and not to make complaint on account of it,—for I agree with the *Montréal Evening Post* that "the Irish people have as much right to differ as any one else." Certainly—quite "as much," if not more. But the *Post* must know that it is because of that "right," and the peculiar and constant use made of it, that Home Rule will not be granted by England to Ireland. It is a mere question of geography. If Ireland could be removed from its place a thousand miles or so farther out to sea it would have Home Rule or anything else desired by the Irish people.

NATIONAL DEBT.

NEW CANADIAN LOAN.—*London, Dec. 3.*—Baring Brothers and Glyn, Mills & Co., have invited tenders for one half million Canada four per centage bonds, Imperial guarantee, and one and a half million Dominion bonds at a minimum price of 96½.

The evils necessarily resulting from National Debt appear to be powerless to restrain Ministers from resorting to loans, although the welfare of the nation clearly indicates the expediency of an opposite course. It may doubtless be more easy to procure supplies by borrowing than by levying, as it is with many individuals preferable to borrow than to earn the means of subsistence; but a just appreciation of the consequences of such a course—as evidenced by the destruction which has fallen upon empires, once great and flourishing, by reason of debt—ought to prevent the adoption of weak shifts, where experience, observation, reason, and a proper regard for the welfare of posterity, clearly indicate the necessity for a policy that will always endure, and for the avoidance of debt, as leading to destruction.

The practice at one time prevailed for nations to amass capital to be used in seasons of exigency; a return to that practice would entitle modern governments to much more credit than the prevailing custom of continual borrowing. Where an unforeseen emergency occurs, as in the case of invasion by an enemy, the resort to a temporary loan may be excused; but for a popular government which has no war establishment to support, nor sudden emergencies to face, and whose expenditure is well within its control, to be continually resorting to money lenders, when funds for current expenses are to be provided, is at once unnecessary and improvident. Of course it will be contended—as it always has been contended on like occasions—that in the construction of public works, the present generation cannot be expected to defray the whole cost; but that is the excuse of every successive generation, and if experience teaches one thing more clearly than another, it is, that posterity will have enough to do to provide for its own wants. What any age requires, therefore, it ought to pay for, and what it cannot pay for it ought to do without. It is by no means established that National Debt is necessary, or that it affords even a temporary relief to the nation contracting it. Suppose the case of a loan raised among the inhabitants of the country borrowing, and assume that the taxpayers lend in the same proportions in which they would have contributed had the same been levied—instead of borrowed—the result of that would be, that, for the periodical payments of interest, each would require to contribute the amount he would be entitled to receive back as interest on the amount loaned, the effect being that practically the amount had been contributed, and no return in the way of interest would result. But certain of the taxpayers may desire to borrow, and in place of negotiating a loan on the security of what they may possess, they sell out their interest in the "funds," and the Government thereby becomes the instrument for the collection of interest for the benefit of the lenders. The tendency of that undoubtedly is, to foster the existence of an unproductive class, whose incomes are derived from the labours of the producers. These are made to furnish a certain value annually, without any corresponding benefit to the nation, either in the produce of the labours of the recipients, or in any advantage as the result of their forbearance, arising out of the borrowing what in fact ought to have been levied. The tax upon the producers will be in proportion as their numbers are to those of the unproductive class, and the amount of the debt will of course govern the number of those who can subsist upon the interest it yields,—the greater the debt, the greater the evil. The extent to which the producers could provide such incomes would necessarily have a limit, and at some point it would cease to be possible for them to do so. Before that point could be reached much suffering would unavoidably be experienced by the working classes, and a solution of the cause of "hard times" may be found, not in the superabundance of labour, but in the number of those who manage to live but do not work.

The effect of borrowing abroad is to maintain abroad an unproductive class. These contribute nothing to the revenue, and the periodical payments of interest, instead of being mere transfers from one class of taxpayers to another, become serious abstractions of value from the country. It therefore follows that the payment of interest to the taxpayers is much less injurious to their interests than the payment of interest to non-taxpayers abroad, and that a foreign loan will more rapidly bring about evil consequences than a loan obtained at home. If it be considered that the benefit resulting from an influx of foreign capital will counterbalance the evil effects indicated above, mature reflection will show that such is not the fact. A sudden increase in the quantity of money in a country seriously disturbs the relations previously existing between money and commodities; advances in prices must follow, because prices are dependent on the proportion of money to that of commodities. In the absence of a corresponding increase in the quantity of the latter, money surely loses value by the increase in its volume. Enhanced prices, however, have great charms for the unreflecting, and not least for those who find it easy to discharge their debts because of the unlooked-for prices which their wares command.

The price of labour rises proportionately, and works are constructed at a cost, in dollars, which operates very disastrously upon taxpayers when payments of interest have to be made.

To appreciate the effect, let it be supposed that prices of labour and commodities advance 10 per cent. because of the decreased purchasing power of money, the consequence will be that to provide interest on the cost of works so constructed will require—in ordinary times—one-tenth more, in labour or commodities, from the taxpayers to procure the required sum of money, than would have been required had no disturbance in the quantity of money taken place. Broadly stated, as the quantity of money is to commodities so will be the prices. Now, in what way does the influx of money aid the construction of public works? Not by maintaining the labourers, so far as the products of the country are concerned, nor by furnishing the materials found in the country necessary for the works. The country is in a position to maintain its inhabitants, and the maintenance of a labourer is the same on a canal, a railroad, a highway, or any other work. A foreign loan will doubtless furnish the means to buy rails and such materials as are not produced in Canada, and for that portion of a loan which is so expended the country obtains a credit. But the same cannot be said with regard to the maintenance of the labourers, who

Finest Dressed Skins, in Seal, Sea Otter, Silver Fox, Mink, Otter, Persian Lamb, &c., for Special Orders, at REYNOLDS & VOLKELS, 427 NOTRE DAME STREET.