

hoped for in 1880-81, will undoubtedly prove as delusive in reality as preceding hopeful statements to the country. Any further increase in the rate of taxation would be simply intolerable, and would only result in a decrease in the revenue—we have about reached the maximum load the country can carry. The second—that the immense outlays, which may be set down at somewhere near \$200,000,000 within the coming ten years, and which will have raised the volume of our Public Debt to \$350,000,000 in round figures, must, and will, be provided for by an irredeemable currency. Is there a man to-day in Canada who does not see that we are entering upon an era of inflation with its inevitable reaction within a few years. The issues of Dominion Notes will expand with the outlays on the Pacific Railway and other public works, and probably at the rate of \$15,000,000 per annum; and within a few years the guarantee of a redemption in gold—based on a strong gold reserve, which is the only means whereby these Notes can be maintained at par—will have disappeared, or have become simply illusory; otherwise this substitution of the Government paper would be of no practical use to meet the emergency—the necessities of the Treasury.

The currency of the civilized world is based upon gold; with gold is settled the balance of trade between nations. Evidently, therefore, Canada cannot pretend to substitute to this basis an irredeemable currency, unless indeed, she is prepared to shut herself off from all intercourse with the outer world.

With the disappearance of the gold-basis, the country will have entered upon a career of extravagance in every department and walk of life, encouraged and facilitated by the apparently easy process of printing off money; and will have embarked upon a course already travelled over by many nations, and history tells us with what disastrous consequences. The theories which are now being pressed

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