culty. One thing is certain, it cannot be allowed to develop into a serious quarrel between France and Great Britain.

It is a foregone conclusion that the Interstate Committee at Washington will report in favor of bringing the Grand Trunk and the Canadian Pacific under the Interstate Commerce Law. Of course Congress has the power to control railway legislation within the territory of the United States, but it has here to deal with compound rates for traffic, part of which is on foreign territory. For the parts of the Canadian railways which lie within the Republic the conditions are the same as those of roads which are exclusively American. Can Congress take cognizance of rates charged beyond the frontier line? It can of course collect information about these rates, and perhaps in some way make use of it in legislation. The regrettable thing about the proposed legislation is its restrictive character from an international point of view. The set of the current on both sides of the line is just now in the direction of restriction, both in tariffs and means of communication. Perhaps when things get to the worst in this respect, the proverbial amendment may be expected.

Under a Railway Act the Government of Manitoba has the option of granting a cash bonus of $750,000, or its equivalent, to the Hudson's Bay Railway. What the equivalent may be the Government has the right to determine, and report says that it will elect to guarantee for twenty years the interest on $1,400,000 bonds. Will this aid ensure the completion of the work? A railway to Hudson's Bay, if the navigation would warrant its construction, would be of greater benefit to Manitoba and the North-West than to Ontario or Quebec, both of which provinces have Hudson's Bay railway projects on hand. The shallows of James' Bay are obstacles to its navigation, and any railway from the south would probably have to be pushed farther north than this bay, thus considerably adding to its length.

THE BUDGET.

In his budget speech, the Minister of Finance makes a revised estimate of the revenue of the current year. The original estimate, made last year, was $39,175,000; the revised estimate is a trifle more, being $39,200,000. This will leave a surplus of $2,700,000; a considerable increase over the surplus of last year, which is put at $1,865,000. The capital expenditure during the current year has already been $8,043,412, exceeding the estimate under this head for the whole year, which was $7,855,990. The excess is accounted for by the fact that the railway subsidies for which the treasury was liable proved greater than was expected. But in this item of capital expenditure a contribution to the sinking fund is included. When this amount is deducted, the capital expenditure stands at $5,662,145. Still there is an admitted addition to the debt of $1,136,145.

For the next year, Mr. Foster estimates a revenue of $39,200,000, an expenditure of $36,700,000, leaving a surplus of $2,500,000. He looks back with a jaunty air and great apparent satisfaction on the great increase of taxes and debt in the last twenty-one years. He seems to think it a matter of pride that the expenditure has, within that time, risen from $13,500,000 to $37,000,000, and to recall with exuberant satisfaction the fact that the resources of the country have been pledged to the extent of $237,000,000, "in order to leave to our children a goodly heritage." The heritage of debt stands side by side with the heritage of public works. In contributions to the public debt in the form of aids to local works, there has been no small share of "log rolling," and where there is log rolling there is waste. These contributions have become a recognized part of the system. The Minister of Finance now counts on an annual expenditure out of revenue of $4,000,000 on railways and canals; an expenditure so arranged as to appease various constituencies whose support is necessary to the combined expenditure. Even the political railways are distinguishable into national and local. To the former belong the Intercolonial and the Canadian Pacific: of the latter the name is legion, and they are to be found everywhere where local political promoters lead the way. There are at present canal works under contract to the amount of over five millions of dollars, $5,158,749. With the local works, whether railways or canals, log rolling and jobbery are inevitably associated. For the works which have a national character there may be justification; for such as are merely local there can, from a Dominion point of view, be none.

Mr. Foster took the ground last year that the time had come when the increase of the debt should cease. This wise resolution is reiterated now. We ought, he thinks, to hold our own till 1892, and then begin to think of lightening the burthen of the debt. Here are two good resolutions, one for immediate, another for future, application. The virtue of that which is deferred is doubtful, for time may bring opposing accidents, and take away the guarantee of individual promises by placing fulfilment in other hands. Canada is in the position of a man who has an extensive estate, a large part of which is unimproved and on which a great expenditure has been necessary to open up communications as a means of turning its potentialities to practical account. Such expenditure, rightly directed and kept within bounds, is economically necessary. When the United States had a population equal to that of Canada to-day, railways had not been invented; great systems of canals, natural and artificial, had been projected, but their execution was with few exceptions prevented by the opportune appearance of a rival mode of communication in the railway. The United States not being in any way under the influence of external pressure, could take its own time in opening up railway communication with different parts of the Republic. The acquisition of California made transcontinental railway communication necessary, but the achievement was not marked by haste. Confederation imposed on Canada the obligation to build the Intercolonial Railway, and the acquisition of British Columbia, following that of the North-West Territory, brought with it the necessity of railway extension to the Pacific. Of this expenditure, the benefits were and still are mainly in the future. While, for these reasons, it is easy to explain and account for a large Canadian debt, it is not exactly a thing to be proud of.

There was nothing in the shape of revenue exigencies to make an alteration of the tariff necessary. The alterations are avowedly made in pursuance of the policy of protection. The Minister of Finance has persuaded himself and endeavored to persuade the House that all the changes he proposed were in harmony with "the system of reasonable protection which was established in 1878-9." In point of fact, however, the National Policy as originally conceived was something far different from what it has grown to be. The original promise of that policy was that while it involved a rearrangement, it would not cause an increase of duties. In subsequent additions to the structure of Protection this ground plan was pronounced too narrow, and incidental protection was discarded for direct protection as a primary object, in which revenue became a secondary consideration. Mr. Foster fixes his eye firmly on the political aspect of protection. He sees, or fancies that he sees, in the United States, extreme protection beating moderate protection at the polls. Protection is therefore a safe faith for a political party to profess.

Here we have a Minister of Finance proposing extensive changes in the tariff without uttering one word to show that they are required by the state of the revenue. The whole tendency of his speech was to show that the proper object of a tariff is to give special advantages to different kinds of industries; the original and proper object of a tariff, the raising of a revenue, is put out of sight, buried under a prevailing solicitude for private interests. That the community at large, outside the favored interests, pays for these special privileges, is never so much as hinted at. We are given to understand that all the changes made, and some refused, were asked for by parties specially interested. The Minister of Customs and the Minister of Finance listen to these demands and grant or refuse them on principles foreign to the proper objects of a tariff. They can raise the price by the aid of legislation in favor of the maker of goods, and reck not that by the same act they raise it against the general public. They see only one side of the medal, and conclude that they have done nothing but good. Self-interest has only to shout at the top of its voice, and to make strong assertions with persistency, not necessarily with consistency, to obtain final recognition and reward. In this way some items in the new tariff have been fashioned, and Mr. Foster thinks it the glory of the National Policy that such things should be.