

## ABOUT OUR DESTINY.

AT the present moment, when our relations as a colony with the Imperial Government are being defined with a greater precision than ever, and while we are discussing the relative burdens to be borne by each, nothing can be more interesting than to endeavour to discover the actual direction which our affairs as a people are taking. The great object sought by Great Britain in the establishment of colonies has been, first, to provide a safe and prosperous home for her surplus population; and next, that she might reap the advantage of an extended trade thereby. In other words, that when emigrants left her shores, they might find in other quarters of the globe British institutions and British protection, and at the same time British merchants should reap a profit on what these emigrants consumed. It was a wise policy to maintain such an interest abroad, that though thousands annually left the country, the country still continued to supply them with articles on which there was the greatest profit; if these thousands increased and prospered abroad, new wants and luxuries would grow in an equal ratio, and, affording employment to those left behind, would not only give increased profit to the manufacturer, but diffuse a general good to all employed by him. The colonial policy, whether so intended primarily or not, was one among many wise efforts to extend the commerce of Britain over the wide world, and to make her what she is, the great commercial miracle of mankind.

But though John Bull is one of the most generous of creatures, with a love strong enough to do more than any other nation under heaven for his offspring, still he is of a very practical nature, and in these days, when material considerations are crowding out of sight the sentimental and traditional influences, he is very much disposed to be impatient with what does not pay. If he has gone to the expense of planting colonies all over the world, and if he is to be responsible for their safe keeping, and in honour bound to help them through all difficulties, it is the most natural thing in the world that he should consider how much the connection is to cost him, and what the investment is likely to return. Hence we have heard occasional grumblings against the colonial policy of the past few years, which persists in retaining dependencies that give no equivalent for the expense and anxiety of their retention. Able men of the Goldwin Smith school have strongly advocated the cutting asunder of colonial bonds, and, beyond all question, the great and powerful commercial element of England favours the same idea, where the colonies are unprofitable. Colonies, whose progress has enabled them to manufacture for themselves, are less dependent on England for supplies, and the trade which it was at first worth while spending a good deal of money to retain, has ceased to be so. Again those colonies, whose public improvements have necessitated large indebtedness, are forced to impose heavy import duties on English, as well as on all other, goods, and nothing can atone for this. It seems preposterous to English merchants that a Province established, developed and protected by English influence and English capital, should impose outrageous and almost prohibitory duties on English manufactures. Still further, those colonies, whose geographical position, alongside a great military power, render them liable to attack, are manifestly a great weakness to the mother country. Unable to defend themselves, their loss by direct attack could not be permitted; hence the liability of a large expenditure for their protection. They are a weakness from another cause: any disturbance between them and the neighbouring nation imperils the peace of the empire; any disturbance between the empire and the neighbouring nation imperils the existence of the colony, and implies a humiliating defeat in advance. Looked at in any way, colonies in such a position are a source of weakness, anxiety, and expense to the mother country. This is the argument of not a few leading English minds, and a very reasonable and sensible view it is.

We present elsewhere a series of very valuable statistics in relation to the trade of the colonies. Among other things, they establish the important fact that, of all her colonies, Canada, in proportion to her population, consumes the least of English goods. New Brunswick and Nova Scotia do somewhat better; but these, though leading colonies, are the least profitable in proportion to their size, while Canada imposes heavier duties than any other dependency. Thus while every inhabitant of Victoria consumes £16 7s. 1d. of

English goods per year, each Canadian consumes only £1 13s. While each inhabitant of New South Wales consumes £12, of Queensland over £10, of New Zealand over £16, and of Cape of Good Hope over £5, the consumption by each inhabitant of New Brunswick and Nova Scotia is only a trifle over £2, and of Canada only £1 13s. These figures are from a return made to the Imperial Parliament, and cannot be without their influence, in view of the position occupied by these colonies, and the considerations above referred to.

The events of the past year point unmistakably to a change of colonial policy on the part of the Empire, especially as concerns the British North American possessions. A new condition of things, mainly arising out of the war in the United States, has forced the matter upon the attention of English statesmen, and we begin to see the result in the force and influence which has been used to complete the Federation scheme. What is the ultimate aim of this changed policy has not yet been announced. Such a course would have been impolitic on the eve of a general election; but now that the Palmerston Government are again firmly in power, we may anticipate further developments. So far it would seem that the Federation project is but the first move in a larger and still more comprehensive scheme, pointing in one direction, and that of the ultimate independence of these colonies. If such an inference be correct,—and we see many indications to induce the belief that it is so,—a future is before the country such as has yet not been considered. Whether this new political condition would be for good or ill fortune, it is now impossible to say; what it might eventually lead to, in view of our close geographical and business relationship with the neighbouring Republic, it would be equally difficult to predict. However difficult it may be to judge of the consequences in the future, it is unmistakable that the present is big with events of immense importance; that our relations with the rest of the world are perceptibly changing, and that the foundations for a future state of existence, as a people, are being laid. We can only hope that the magnitude of the interests at stake may impress our statesmen with the gravity of their position,—that they may neither on the one hand neglect *Vox Populi*, nor on the other fail to hear *Vox Dei*.

## INCREASE OF OUR PUBLIC DEBT.

(ARTICLE II.)

HAVING referred last week to "the Financial position of Canada," we proceed to consider the second part of our subject,—the proposed increase of our public debt for the construction of fortifications, the building of the Intercolonial Railway, the deepening of our canals, and the purchase of the North-west territory. The idea which first presents itself to the mind, is, *the magnitude* of these undertakings. There is probably no nation in Europe, Great Britain excepted, whose government would venture to carry out such a formidable list of projects simultaneously. Wealthy, populous, and powerful though they be, the strain upon their finances would be seriously and, in some cases, disastrously felt. It may well be doubted, then, whether a young country, like Canada, whose financial position (as we have seen) is not at present too flattering, is in a position to rush into grand "kite flying" schemes in such a wholesale manner.

The permanent increase to the public debt of Canada—should all of these undertakings be proceeded with—would be very large. At the most moderate calculation they would add THIRTY MILLIONS OF DOLLARS to our present indebtedness; and it might be, in fact it is every way probable it would be, *vastly greater!* According to the report of Col. Jervois, the estimated cost of the fortification of Montreal and vicinity is \$2,150,000, and those of Kingston, Toronto, and Hamilton, \$2,500,000. Mr. W. L. Russell, in his recent work on Canada, however, contends that it would take \$1,950,000 to construct proper works at Kingston alone; and if we consider that public works always largely exceed the first estimate, we may safely set down the cost of fortifications at \$7,000,000. The Intercolonial Railway would certainly not cost less than \$16,000,000 when completed. The deepening of the Welland and St. Lawrence canals, so as to admit large-sized ocean vessels, could hardly be done for less than \$6,000,000. Regarding the cost of the North-west Territory, it is difficult to make an approximation. We have seen it stated that the new Hudson's Bay Company paid the old Company some £1,500,000 sterling for the relinquishment of their claims. If this be the case, the great fur-trading monopoly would hardly

"sell out" for less than that amount. However, let us place their demand at £1,000,000 sterling, or \$5,000,000. The expenditures may be summed up as follows:

Fortifications, &c. ....	\$7,000,000
Intercolonial Railway .....	16,000,000
Deepening the Canals .....	6,000,000
North-west Territory .....	5,000,000
Total cost. ....	\$34,000,000

According to these figures, the cost of these great works to Canada would be \$34,000,000, and they would swell our total public debt to about \$109,000,000! But there is great reason to doubt whether the current of our indebtedness could be arrested even at this point. In all probability, the above expenditure would require to be rapidly followed by others. What would be the use of fortifications unless we raised, equipped, and paid soldiers to man them? We are told the Canadian Delegates to England promised the Secretary of War to spend \$1,000,000 annually for militia purposes. This fact may afford some light by which to estimate the expense of guarding our fortifications when built. Then the Intercolonial Railway would have to be equipped and put in running order. And after buying "the North Pole," as the London *Spectator* facetiously calls it, we would have to open it for settlement: construct long lines of road, build bridges, and civilize the wilderness generally. These contingencies are not simply possible, *they are certain*. And, therefore, we may safely conclude, that if all these projects are entered into by Canada at the present time, before they are completely finished, we will be saddled with a debt of not less than *one hundred and twenty millions of dollars!*

The magnitude of this sum is surely sufficient to make our wildest financiers pause and consider. Through the liberality of the Imperial Government, we can borrow the money. They are prepared to guarantee the interest upon the stocks we would require to issue; and consequently the capitalists of the Empire will invest freely. We will even admit, that twenty years after the present time, \$120,000,000 may not be a greater debt to us than \$75,000,000 is now. But how many other and more pressing demands upon the public exchequer may not arise before 1885? And what right have we, like some reckless spendthrift, to draw such large post-obits on the future? Besides, how would we be able to keep the ship of state off the shoals of bankruptcy until the growth of twenty years had been acquired?

Let us suppose that we have reached the year 1870, and our debt has risen to \$120,000,000; the Province has felt the inspiring influence of a large public expenditure for several years; its population has augmented to 3,000,000, what would our financial prospects be then? The annual interest upon our debt would have risen from a little over three to about six millions! All the different branches of the Government expenditure would have advanced. The increase in our annual expenditure would be four or five millions; *and where are the new sources of revenue to meet it?* Under present circumstances, and with our present debt, we have had a chronic deficiency in our revenue since 1857—no less than eight years! These "deficiencies" have averaged nearly \$3,000,000 per annum. Our Finance Ministers have again and again increased taxation, and yet the "deficit" remains. When Parliament meets next week, we shall not be surprised if it is found that further imposts are necessary before the Provincial revenue can be made to equal the expenditure. Under these circumstances, it is much to be feared that by 1870, should all these expensive projects be proceeded with, the finances of Canada would be in an alarming condition, and its annual expenditure could not be paid except by resorting to taxation so high as to be a serious burden to the people, and a complete check to immigration.

We are no alarmists; but we think it must be apparent to every one at all acquainted with our financial affairs, that, aside altogether from the utility or uselessness of the works proposed, it would be sheer madness for Canada to undertake *the whole* of this immense expenditure at the present time.

## Duties for the Week.

We give the weekly receipts at the Custom House:	
Friday, 28 July. ....	\$5250.10
Saturday, 29 " .....	5755.52
Monday, 31 " .....	6652.99
Tuesday, 1 August. ....	12416.92
Wednesday, 2 " .....	7156.31
Thursday, 3 " .....	13589.43