

itself, will cause Parliament to approach the subject with great and natural reluctance. But the question will nevertheless have to be met and determined.

NOVA SCOTIA ASKING BETTER TERMS.

Once more Nova Scotia is a suppliant before the Federal Government for an increase in the subsidy paid under the terms of union to the Province. The demand is buttressed by a variety of props, the shaping of which gives proof of considerable ingenuity. The subsidy, it seems, is not sufficient to meet the increasing wants of the province. But this is the affair of the province, not of the Federal Government. No one ever supposed that the amount of the subsidies would be sufficient for all time to provide for the wants of the local governments, and other sources of revenue were assigned to the provinces to enable them to make up the deficiencies. To pretend that the province is entitled to look to the federal government for additional revenue to meet its increasing wants is to admit that it is willing that the purse strings in its hands should remain closed, and that for the continuance of its financial life it should be dependent on the breath of the central government. A province that does this is perilously near to the surrender of its dearest franchise for a mess of pottage. "Better terms" have already been granted to this province as well as several others. It seems to be forgotten that these payments necessitate an increase in federal taxes, the provincial recipients of which are generally the first to complain of an addition to the federal burthens of which they are themselves the cause, and of which they reap the benefit.

It is not correct as alleged by the petitioners that the only available means of increasing the Provincial revenue is to draw upon the Federal treasury. The Provinces have an unlimited resource in direct taxation, and we cannot think it true of any intelligent people to say that for the most necessary purposes they will not submit to direct taxes. What is the alternative? That the Federal Government shall impose additional indirect taxes, at a greater cost and to the infinite disturbance of trade; and when it has done that, the recipients would show their gratitude by turning round and complaining of the new burthens which they insisted should be levied for their benefit. That is what has been done in the past and it is what may be expected in the future.

The worst feature of those forays on the Federal treasury is that they betray an utter want of patriotism. The localism in which they take their use is shortsighted and suicidal. The authority that holds the purse-strings, should the Federal Government consent to become financial purveyor general to the Provinces, must ultimately hold their autonomy at its good will and pleasure. If the Provinces mean to hold their own in the union, they must utilize their independent sources of revenue. The patriotic example of the States of the American union, on a similar question, stands for all time as a guide and model to those Provinces. When the original confederation was formed, the separate States

retained the public lands and the excise and customs' duties. But when it was seen that the Federal Government required independent sources of revenue to support it, all these were voluntarily surrendered by the separate State for the common benefit of the union. When our confederation was formed, the Provinces surrendered the customs' and excise duties in exchange for a subsidy; and they still retain the public lands, which no one begrudges them, and not one acre of which would they surrender, if it were to save the union from perishing. Some of the Provinces are not satisfied with the subsidies for which they stipulated, but demand more, on every possible occasion, on all sorts of trumpery pretexts, which are remarkable for nothing, so much as their audacity and inconsequential reasoning. Surely the Provinces ought to be able to see that if their separate demands on the Federal treasury were successful, the final result must be disaster from which they themselves would not be the least sufferers.

THE PROPORTION OF WHEAT TO OTHER PRODUCE.

Wheat having become a drug in the market, the *Shipping and Commercial List* is moved to ask whether too much wheat is not grown. "The question as to how farmers can use their land most profitably has excited much discussion, the most important contribution to which has been a paper published by Mr. Dodge of the Agricultural Bureau at Washington, wherein the ground is taken that more wheat is grown in the United States than is either desirable or profitable. He maintains that farmers ought to raise less wheat and devote more attention to growing other products that would not only command a readier market but would prove more profitable. The population of the country has doubled in about twenty-seven years, and yet the area of land devoted to the cultivation of wheat has been increased two-fold in less than fifteen years. Since the requirements of the present population could be readily supplied by reducing the present area of the wheat belt at least twelve million acres. Mr. Dodge recommends that this land should be devoted to barley, an increase in the production of sugar cane, and other articles that are now imported." Sugar growing in Louisiana is a losing speculation, and the suggestion is unfortunate. "The discussion of the question is no doubt timely in view of the experience that the country is now reaping, and Mr. Dodge's argument is both clever and plausible, but before accepting it, is it not worth while to inquire whether cheap bread stuffs, which means cheap food, are a disadvantage and a mistake which need correction? Statisticians may differ as to the causes which have produced the change, but the great mass of consumers do not regard it as a misfortune that they are able to buy flour at five or six dollars a barrel. Furthermore, when an article of food is cheapened its consumption is almost invariably increased, and its cheapness has a tendency to neutralize its superabundance. It is true that through the agency of labor-saving machinery and "bonanza" farming the production of wheat may eventually be over-

done, but it will be found a very difficult task to convince consumers that the country is in danger of being injured by cheap bread. Just now it comes as a boon to thousands who feel the scarcity of work and the gradual reduction in wages. The tendency of the past two years has been to cheapen the cost of almost every commodity. The purchasing power of money has increased in every direction, and its earning power has necessarily decreased in proportion. The cost of living has therefore been reduced, and this has been followed by a shrinkage in the value of the staple articles of food. Clothing is cheaper than it has ever been before in this country, and the laboring man is enabled to supply himself to-day with the necessities of life at a cost that more than fully compensates for the lower scale of wages that is generally being established. When compared with the present price of sugar and other staple commodities, wheat is not abnormally low, and that is the true standard for comparison. Then again, the cost of raising a bushel of wheat under existing conditions is not what it was when the value of everything was upon a much higher plane. Farmers as a class raise such crops as in their judgment best meet their individual necessities, and no doubt when they find wheat-growing less profitable than other products to which their land is adapted they may see the wisdom of making a change, but probably not until then."

PRIVATE BANKS.

The London *Economist* notes the tendency that exists in England to change private banks into joint-stock banks. The latest instance is that of Messrs. Glyn, Mills, Currie and Co., who have registered as a joint-stock company, and it is expected that the example will be followed by other private banks. In this instance, the change is rather one of form than substance, the private firm having been as strong as the new corporation, which is in fact practically the old firm under a new name. The principal change is one of methods; a change from the secrecy which shrouds the affairs of the private banks to the publicity of the joint-stock bank. Accustomed though it has been to secrecy in this particular the English public likes secrecy less and less, in these days of publicity, even when it does not distrust. The cases of Sir John Dean Paul and of Overend, Gurney & Co. are not forgotten, though the collapse in private banks which took place in England towards the close of the first quarter of this century conveyed a more emphatic warning. The publicity of the joint stock banks has pushed the private banks very hard, till the conditions of competition have become very unequal. "The secrecy," says the *Economist*, "in which the private banker has thought fit to shroud his affairs has been mainly instrumental in preventing him from competing with his joint-stock rival. And it adds:

"The man who trusts his money to a private bank must walk by faith alone. He has no means of knowing what the resources of the bank are, or in what way its funds are being employed. In dealing with a