

no less than 213 directorships, more than an average of eight each, and some of them apart from these duties have heavy demands upon their time, by private business or public office. The bill is in a fair way of passing, and a few years after it has become law, it is not improbable that its main provisions will be transferred to the statute books of Canada.

#### A RAID ON THE FEDERAL TREASURY.

M. Mercier took advantage of the banquet given at Club National to celebrate the recent political victory in the Province of Quebec, to give prominence to a new and startling political manifesto. His speech fills nearly seven columns of *L'Etendard*. It is able, sectional and disturbing. In principle, his programme does not differ essentially from that of his predecessors of a different political faith. Both look to the Dominion treasury to supply the means of local expenditure, the scale of which is to be regulated by their whims, to which the name of necessity is given. M. Mercier complains that provincial autonomy is unduly abridged, and he claims for it the fullest development, in order that the French nationality may take a new flight. He claims to represent a national government and the national party, for whose flag, which he displayed, he claimed reverence. He claims for his province fuller powers with reference to religious and municipal matters, education, and the administration of justice. He demands the formal abolition of the veto, to which he gives the name of usurpation, fraught with imminent danger to the Provinces. He takes the ground that the only question which should be raised respecting a provincial law is whether it is constitutional, and that that question should be settled by the tribunals. The Dominion Government has apparently of late been tending in this direction. On the Jesuit Estates Act Sir John Thompson spoke as if the only question at issue was the constitutionality of the measure, and we agree with M. Mercier to this extent, that if the veto is never to be exercised except in respect to a law that is *ultra vires* of the local legislature, it had better be formally abolished. But the Dominion Government has not squarely taken the ground that the veto should never be exercised except to put an unconstitutional law out of the way. And even if it had done so, that would not necessarily sound the death knell of the veto, which has still ardent advocates among thoughtful men. In so many words M. Mercier claims provincial sovereignty, as if the advocacy of State sovereignty had not led to disastrous civil war in the United States, which brought the extreme claims of State sovereignty to an ignominious end. Within their exclusive institutions the Provinces are sovereign, but M. Mercier would so extend the limits as to leave little for the Federal Government to exercise its powers upon.

Special complaint is made of the Act which gives authority to the Dominion Government to take legislative control of such railways as it may deem to be of more than provincial importance. And

M. Mercier founds on the transfer of political control a claim to be reimbursed by the Dominion, the cost of construction. The right of regulation is a political right, which must be vested somewhere; the ownership of the roads is a question of property. The two are not co-relatives; they are not two halves of one thing; one is not complementary of the other. On the contrary, they are essentially distinct and different. The property in the roads remains where it was; no right of property is infringed or interfered with; all the earnings of the roads go as before to the owners. If payment for the roads, by the Government exercising the right of legislative control over them, could properly be demanded in one case, it could be demanded in another, and the Provinces would find themselves weighed down with responsibilities which they would be unable to bear. All inter-state railways are under the control of the Federal Government of the United States; and that control is carried much farther in the Republic than in Canada, of which the Inter-State Commerce Act may be cited as an example. Any one who, in the Republic, should take the ground that the Federal Government ought to pay for all the railways over which it exercises legislative control, would be deemed a fit subject for Bloomingdale. This pretext, as put forth by M. Mercier, is the weakest and the flimsiest on which a claim for reimbursement of cost of construction could possibly be set up. And it is the foundation of the largest of his financial claims. He asks for \$20,000,000 under this head. The demand is like that of a spendthrift son, whose debts have been twice paid already and who comes a third time in the character of a suppliant to the paternal treasury.

For her own purposes, Quebec has chosen to run heavily into debt. Whether she has acted wisely or foolishly in doing so, she has not asked the leave of the Dominion. Canada, as a whole, had no means of checking her extravagance. Much of the expenditure appeared to outsiders as unwise and undesirable, even when not corrupt; it is such as the better judgment of the nation would never have approved. On what principle, then, can the Dominion be asked to pay? Quebec has run into a financial slough of despond with her eyes open and she must take the consequences.

But this is not all. Financial audacity has another resource in reserve. M. Mercier demands in addition a large increase of the Provincial subsidies. He assumes that the Provinces pay all the customs and excise duties, and that therefore they are entitled to have placed a larger proportion of those revenues at the disposal of the local governments. What would be thought of this argument if applied to the United States? Under the original confederation, each State retained its customs and excise revenue, the whole of which was subsequently given up to the Federal Government from motives of national patriotism. M. Mercier puts local over national interest and reverses the idea of patriotism on which the United States acted in 1791. He complains that the Provinces are left poor. The state of the finances of Ontario, ever

since Confederation came into existence, has been a standing disproof of the assertion. If the Provinces do not raise revenue it is not because they have not the power to do so, but because they find it easier to make demands on the Dominion than to raise their own revenue. On this point, M. Mercier is only too ready to abandon the autonomy which it is in his power to enjoy; and surely financial independence is as worthy an aim as any government, provincial or other, can pursue. The people of Canada act in their federal as well as their provincial capacity, and it is in the former that the revenue from customs and excise is raised. If each province had a customs tariff of its own, trade would suffer in every direction, and most of all inter-provincially.

M. Mercier proposes that Quebec should be made the pivot round which the debt assumption by the Dominion should revolve. The amount to be assumed in her case should be that of her debt; and to the Provinces which have less debt or no debt, the difference should be made up. We need not take the trouble to figure up how much this scheme would add to the debt of the Dominion. Does it never occur to M. Mercier that the credit of the Dominion has its limits? That it could neither borrow nor pay beyond a certain amount? His scheme, if put into force, would be destructive of the credit of the Dominion, and would impose intolerable burdens on the people.

#### THE FAILURE LIST.

Mercantile failures have been frequent in Canada this year. There have been nearly a thousand of them in the first six months, and the aggregate of liabilities of these failed traders exceeded ten and a half millions of dollars. Such figures are the reverse of reassuring when compared with those of preceding half-years. We append a comparison:

	No.	Amt Lia.
First six months 1890	...993	\$10,514,661
" " " 1889	...867	7,290,000
" " " 1888	...872	7,802,000
" " " 1887	...709	10,460,000
" " " 1886	...689	5,346,000
" " " 1885	...687	5,131,000

As to the leap upward in aggregate liabilities between 1886 and 1887, it is to be remembered that in the latter year the Maritime Bank failure brought a crop of disasters with it, that was estimated to add \$4,000,000 to the ordinary average yearly liability of failed traders. With this deduction made, the column of liabilities would read: Half-year, 1886, \$5,346,000; 1887, \$6,460,000; 1888, \$7,802,000; 1889, \$7,290,000; 1890, \$10,514,000, a steady increase, year by year, which ought to have some significance for Canadian merchants and bankers.

#### CANADIAN FAILURES IN SIX MONTHS, 1890.

	No.	Amount.
Ontario	524	\$3,447,700
Quebec	327	6,148,145
Nova Scotia	45	217,484
New Brunswick	37	229,995
P. E. Island	6	48,893
British Columbia	23	108,322
Manitoba	31	314,122
Total	993	\$10,514,661