

live to learn that there are no terms on which secession could be permitted, and that political blackmail projects will not always be successful. Dalliance with incipient treason must some day reach its permitted limit.

The refusal of the larger tenants on the Lansdowne Irish estates to pay their rent, is evidently not the result of necessity, but part of the political game of the Nationalists. The "landlord tyranny" paraded in this case is purely a product of imagination; still it serves to make the Marquis of Lansdowne a target for the abuse of Irish "patriots," both in Ireland and in Canada. But in the absence of the essential facts which constitute landlord tyranny, the abuse of a Dublin editor and a Toronto archbishop falls pointless and only reflects discredit on its utterers.

The reply of Sir Hector Langevin to the deputation that waited on him to ask what the government proposed to do towards completing the protective works of Toronto harbor, is precisely what might have been expected. It was, besides, thoroughly deserved. He pointed out that Toronto had undertaken to contribute \$100,000 towards the cost, but had failed to keep her pledge. Under these circumstances, the government proposed to do nothing. Mr. Denison pleaded want of competency in the deputation which made the promise, which is only another way of saying that the government was deceived, since these persons were representatives of the city. The honor of the city is engaged, and we can scarcely imagine anything more scandalous than the plea, urged by Mr. Denison, by which she now attempts to shuffle out of her obligation.

THE FINANCES OF THE DOMINION.

Starting at the birth of the Dominion, at \$13,687,928.49, the revenue receipts of Canada have steadily risen till, in the last fiscal year ending in June, 1886, they rose to \$33,177,040.39. Of the latter amount \$25,226,456.21 appears in the public accounts as the product of taxes, while \$7,950,584.11 is put down as coming from "various sources." Under the head of taxes, the amount in the initial year of Confederation was \$11,700,681.08. The cost of collecting the revenue is a very serious item. Beginning at \$1,885,804.20, it rose in the last fiscal year to \$7,808,751.36. This implies a formidable amount of patronage, and is a potent weapon in the hands of the government. The great extent of country adds to the cost of collection, which is over twenty per cent. During the period, under Confederation, the total amount of the surpluses, which have occurred in thirteen different years, has been \$30,278,550.28, and the deficits, which have occurred seven times, to \$16,044,817.04. Though there have been deficits in the last two years, the deficit years, so far as they occur in clusters, are not ominously near as they appear most persistently in the five years from 1866-7 to 1881. But last year comes the most serious deficit of all, \$5,834,571.87, the amount

in no other year having reached two millions. Much of this large deficit is explained by the rebellion in the North-west.

The subsidies to the Provinces, as every one knows, have undergone great increase. The intention of the authors of the Confederation compact was to make the subsidies a fixed amount, which would not be liable to increase. In 1867-8, they amounted to \$2,753,966.46; last year they reached \$4,182,525.91. This great increase is chiefly owing to a departure from the original compact, by which the Provinces gained, and the country as a whole lost. These are only the direct payments. The indirect payments, in the shape of local railway grants alone, last year, amounted to \$2,701,249.00. Practically, these railway grants are additions to the subsidies; and considered in this light, the subsidies have more than kept pace with the taxes. Besides, the Federal Government has assumed a large amount of debt which the Provinces undertook to bear. Decidedly the Provinces have got the better of the Federal Government; and there is no end of their demands for more money. It was the first false step that cost; if the original terms of the compact had been strictly adhered to, when the first demand for a departure from it was made, all would have gone well; as it is, things are very far from being as they should be.

The steady increase of the public debt is a matter of grave concern. That it should, at first, increase faster than population and resources, was inevitable; but it is equally inevitable that it cannot continue to increase in the future as it has in the past twenty years. There were great public works to construct, in order to give a possibility of unity to a country of vast extent. The result has been that the net debt has increased from \$75,728,641.37 to \$223,159,107.09.

Fortunately the interest, though a large item, has not kept pace with the debt: in 1868, it was \$4,501,568.33; last year, it was \$10,137,008.66. The average rate of interest payable on the debt has fallen from 4.64 to 3.71. The total assets are put down at \$50,005,234.02, and the interest from investments is \$2,299,078.91. The rate of interest received on investments is considerably more than that paid on the debt: beginning at fractional amounts, it has now risen to 4.59. Some of our greatest public works are finished. This is true of the Intercolonial and the Canadian Pacific railways; a further expenditure on the canals is included in the federal compact. It is quite certain that heavy additions to the public debt will henceforth become impossible, and if possible would be highly imprudent. A reduction of a part of the debt is secured by a sinking fund, to which the annual contribution now reaches \$1,606,270.57, and at the credit of which stands \$17,461,632.98.

If the Federal Government would resist any further increase of subsidies, in any form, and lop off all local items of expenditure, the recuperation of the Federal finances would be an easy matter. These expenditures rest on political rather than national grounds, and that is just why

there is danger that they may be continued. Necessity will, in the end, if nothing else will, put a stop to local expenditures by the Dominion. The provinces encroach on the Dominion in the most vital point; they encroach on its revenue and resources, and it would not be surprising if the example led to encroachments on the other side; encroachments on the other side are an eternal theme of complaint with some of the provinces, and if the repinings were true, the complainants might reflect that they themselves set the example.

The expenditure on capital account, under Confederation, foots up to \$165,084,506.97. Debts have been allowed to the Provinces to the amount of \$30,743,392.69; \$2,566,689.36 has been spent on Dominion lands; on the Eastern Extension railway, \$1,286,551.68; on the Intercolonial, \$31,226,348.15; on miscellaneous public works, \$39,080,004.38; on the North-west, \$2,920,000; on the Pacific railway \$60,864,340.61; on Prince Edward Island railway, \$212,288.27; on the Short Line railway, \$184,801.83. We have spent on capital account more than we borrowed, \$17,336,361.13, which has come out of revenue and represents savings, in the form of fixed capital which it has taken. The great items of expenditure were necessary; some of the smaller items are doubtful or ought not to have been incurred. The Dominion expenditure should be confined to objects of general interest; local expenditure should be left to the local purses. This financial reform is one which must come sooner or later, and the sooner the better.

CANADIAN COMMERCE.

We are in receipt, nearly ten months after the expiry of the period to which they refer, of the latest Trade and Navigation Returns of the Dominion of Canada; those for the fiscal year ended with June, 1886. That four months should expire before such returns are made public is not unreasonable, six months should be ample in any case; but that they should be withheld for almost ten months is absurd. When one remonstrates that such a delay is needless, he is referred to the statute providing that all Blue Books must be laid before Parliament ere they can be made public. Let the statute be amended, then, or repealed altogether, but let us have the figures of our financial and commercial position at a time when they can be useful, and not when they are stale. They were probably completed and printed three months ago.

The aggregate of Canada's imports and exports for 1885-6 was \$189,675,000, which is eight millions and a half less than that of the previous fiscal year, and nearly fourteen millions less than the average of the last seven years. The years 1882 and 1883 showed the largest aggregate trade, measured by money value, in the history of the Dominion, just as the years 1872 and 1873 had been the largest up to that time. The difference between the average trade of the fiscal years 1885 and 1886, and that of the previous four years, is almost ten per cent. against the former. It is fair to assume that the difference is occasioned by