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THE FINANCES OF QUEBEC.

The debt of Quebec, according to the Treasurer, Mr. Robertson, is \$15,000,000; requiring annually in interest and contribution to the Sinking Fund a sum of \$9,000,000. This debt has been run up with great rapidity; and at present the income is too small to meet the expenditure. The estimated expenditure for the next fiscal year is \$2,891,032.88, and the receipts \$2,772,665. Some economies are promised and some new taxes threatened. It is perhaps fortunate that the Provinces are almost confined to the resource of direct taxes, when they go outside the Dominion subsidy and the Crown Lands. The subsidy, which is their main resource, is in one respect an impediment to the raising an additional revenue. If there were no resource but direct taxes, direct taxes would have to be borne, cheerfully or otherwise. As it is, nothing is so much dreaded by the tax-payer as direct taxes; and the poorer of the Governments resort to all sorts of shabby devices to avoid the imputation of resorting to direct taxation. Thus they are constantly tempted to trench on debateable ground, and to filch a little revenue in the form of an indirect tax, hoping that the quality of the tax and the legality of the levy will not be too closely scrutinized.

Large as is the debt of Quebec, the Province will be able to pay it, if all parties be resolved to use every means to secure that end. The first thing to do is to avoid every temptation to increase the amount. If this be not done, the result will be disastrous. Every government is beset by railway harpies who think only of the booty they may be able to make out of additional railway expenditure. "I know," such is the admission of the Treasurer, "there are many who would like to see money spent freely in building railways, with the utmost indifference as to where the money was obtained, or how it was to be repaid, or whether it was repaid at all." The time has come when Quebec must choose between resist-

ing this disastrous influence, and ultimate bankruptcy. This, we believe, the Treasurer fully understands.

The principal items of the debt, credit being taken for the Sinking Fund, are:

| | |
|---|-----------------|
| Loan of 1874..... | \$3,698,666 67 |
| " 1876..... | 4,059,773 37 |
| " 1878..... | 3,000,000 00 |
| | \$10,758,440 00 |
| Due on sundry loans to banks .. | \$1,345,000 00 |
| Obligations on railway account which have been adjusted, not included in above..... | 1,093,598 00 |
| Other claims as far as ascertained against Government Railway Construction Account, say.... | 20,000 00 |
| Subsidies to certain railway companies due as they progress .. | 1,237,830 00 |
| Estimated amount required to complete the Q. M. O. and O. Railway | 1,290,000 00 |
| | \$4,986,428 00 |

To these items, the proposed new loan, less debts owing to or claimed by the Government, has to be added. Three municipalities, Montreal, Quebec and Three Rivers, have, on various pleas, refused to pay a heavy balance on the railway subsidies they promised to the Government, amounting to \$1,303,455. But the Government does not expect to receive anything like that amount. Besides these, other municipalities owe the Government on account of railway subscriptions "some \$350,000." What amount will be realized on these unpaid subscriptions, the Treasurer is quite unable to say, with any pretence to accuracy. The non-receipt of these large amounts, which had been calculated upon, was of itself quite sufficient to derange the finances of the Province.

If the municipalities look on the local government as another Providence, from whom fiscal blessings may be expected to come in some miraculous way, the local government, in its turn, looks to the Federal Government as the presiding Providence whose means of succoring the provincial governments is inexhaustible. The only doubt they have is as to its good disposition. Mr. Robertson is fully convinced that the general government ought to pay all the expenses connected with the administration of justice; and he more than hints that Quebec has a long bill against the Dominion for expenses incurred in the conviction and maintenance of prisoners. He argues that the Dominion Government is under a moral obligation either to purchase the North Shore Railway, or to grant a subsidy of \$12,000 a mile, as was done in the case of the Canada Central. But when he comes to the other side of the account, he characterizes the claim of the Dominion for interest on Quebec's share of the sur-

plus debt of the late Province of Canada as "pretended." We need not enter into the details of these claims. It is enough to show that the spirit in which all such claims are made is one which, if it obtained th mastery, would bear down the Dominion with a load of debt, under which it must sooner or later be crushed. And this is the tendency of our political finance. The assumption of the surplus debt of the late Provinces of Upper and Lower Canada shows the direction in which the stream is running. The undertaking to build the Esquimaux and Nanaimo railway is a further indication. Unlike the Federal Government of the United States, the Dominion has to pay heavy subsidies to the several Provinces; and these are allowed to retain the public lands within their borders, while all public lands in the United States belong to the general government. When, in addition to all this, we consider the pressure put upon the Dominion finances for railway construction and canal enlargement, it is obvious that the Federal exchequer is having demands made upon it which it would be impossible to meet.

While so much has been spent on railways, no large amount is available for what are called colonization roads. Indeed Mr. Robertson distinctly puts the railway as a better substitute for the colonization road. But this does not prevent a clamor being raised for colonization roads. New settlements are being made, in a scattering way, nearly all the distance from Hull to Three Rivers; besides isolated settlements at Lake St. John and in other parts of the Province. \$45,000 is all that can be spared to encourage colonization. Quebec has for years been losing population by emigration, and this loss is not compensated by immigration. There is an appropriation under the head of repatriation; but it is very difficult to whistle back emigrants that have gone beyond the bounds of the Province to better themselves elsewhere. In the last thirteen years, \$105,553 has been spent in the attempt; and even yet the outflow of population has undergone little if any check.

The borrowing power of the Province has not been seriously impaired. The new loan, bearing five per cent. interest, is made at 98, payable either in London or Paris, at the option of the borrower. There is to be a Sinking Fund of one per cent. per annum. Under all the circumstances, it is somewhat remarkable that so favorable a loan has been obtainable.

The Treasurer takes rather a curious view of the resources of the Province. He sees in breadth of area, dormant mines,