

the peace of the country troubled by the revival of the old hostilities of race which Lord Durham found in full vigour, and which he described with great force and copiousness of detail. The Métis sympathise with Riel, and would be quite ready to re-elect him in his absence, and all French Canada makes his cause their own. But they submit to the expulsion as a necessity of Parliamentary rule—unpleasant, but still a necessity.

When the Minister of Finance comes down with a proposal to add, at one stroke, one-sixth to the taxes of the country, he is bound to make out a strong case. Mr. Cartwright was so impressed with this necessity that he was tempted, in his budget speech, to make the picture of the financial situation a little too sombre. It is unrelieved by a single ray of light. He had to provide for a deficit of two millions, and he put on additional taxes estimated to yield three millions. Here the prudential side of his character comes out in strong relief. The financial outlook, when one attempts to peer into the future, is serious enough. But in the actual condition of the finances there is nothing alarming. The deficit is artificial, and with the same ordinary revenue expenditure it could have been prevented. An amount nearly half a million in excess of the deficit, expended on public works, was charged against revenue. It is merely a question of book-keeping; and Mr. Cartwright admits that part of the amount would have been fairly chargeable against capital. In a country where we have entered into obligations to carry on public works which will cost something like two hundred millions of dollars, it is the easiest thing in the world to create a deficit by charging some of these works to the revenue account. That error was committed by an inspector-general nearly twenty years ago, with the inevitable result: a deficit attended with financial embarrassment. That Minister took the pains to show that the cost of our public works, all taken together, represented an amount far

beyond the aggregate of the public debt. This comparison of figures had its advantage; for it showed that if we had a public debt we had something valuable to show for it. And we have more than full value to show for the present deficit. Whether a deficit of the character and amount which Mr. Cartwright had to make good would of itself have justified a large increase in the taxes is open to doubt. But the interest account is constantly being increased by new public works charged against capital, or in other words built with borrowed money, and to meet this charge an increase of revenue became necessary. The ordinary revenue is estimated at a little over twenty-four millions and a half for 1874-5, but the whole expenditure will be forty-two millions. The deficit of the current year is partly a matter of estimate, and it may be less than Mr. Cartwright assumes; but he cannot be so far wrong as some predict, when they assume that there will be no deficit at all.

Mr. Cartwright encourages the public to hope that the new taxes will suffice, without any further addition, "for a considerable time." That the distant financial horizon is obscured by a dark cloud is undeniable. To carry out all our obligations to the letter, including the time bargain with British Columbia to build the Pacific Railway, the Finance Minister tells Parliament it would be necessary to borrow not less than thirty millions a year for seven years; and when we had done so we should have piled up a mountain of debt, larger proportionately than that under which the United States found themselves staggering at the close of the civil war: larger by no less than one-third. He took another comparison, and said the magnitude of our debt, measured in interest—which is the true gauge—and the relative populations being taken into account, would exceed by one-third that of the colossal debt of England. These statements are startling enough; and Mr. Cartwright contends that they involve an impos-