

following shows the duty collected on the imports into each province in 1893 and 1904 :

CUSTOMS DUTIES COLLECTED IN EACH PROVINCE, 1893, 1904.

	1893.	1904.	Increase
	\$	\$	\$
Ontario.....	7,475,142	16,328,786	8,853,644
Quebec.....	7,723,380	14,308,672	6,585,292
Nova Scotia.....	1,203,790	2,306,480	1,102,690
New Brunswick.....	1,012,782	1,391,613	378,831
Manitoba.....	602,466	2,725,257	.....
British Columbia.....	1,189,414	2,724,412	.....
P. E. Island.....	161,836	151,380	.....
Territories.....	11,012	599,138	.....
Yukon.....	.....	417,172	.....
Total.....	\$19,379,822	\$40,954,349	\$21,574,527

Since the figure 80 cents per head to be paid over to the original provinces was decided upon as some compensation for their being deprived of their income from customs and excise, the duties collected on imports have risen from \$8,819,000 to \$40,954,000, an increase of \$32,135,000 which equals an advance of 360 p.c., the larger portion of which income from customs is contributed by the original provinces.

The situation then has been shown in the preceding statistics to be as follows :

In the first place consideration must be given to the Dominion having assumed the provincial debts at Confederation to extent of \$77,500,000, (2) to the Intercolonial Railway having been built by the Dominion, very largely for the benefit of the original provinces, the cost of which and the deficits of which have fallen upon the country at large.

On the other hand the revenue of the Dominion has risen since Confederation from \$13,687,900 to \$70,669,800, so that now the subsidies paid to the provinces in proportion to the whole revenue are only one-third of what they were a few years after Confederation had been consummated. If 80 cents per head was ample compensation for the loss of customs and excise duties in 1867, on the same basis the subsidy per head now ought to be much more per head for the original provinces, which resigned those sources of local revenue.

Another point must be considered, the expense of governing a province is now much greater per head than it was at Confederation. The development of the country has entailed the necessity for greatly enlarged expenditures. All the elements in the transportation question which involve outlays by a Provincial Government demand far more expenditure than they did before Confederation. The expenses of administration, of the judicature, of education, of maintaining public works, etc., are now considerably larger than in the years gone by when each province was independently governed.

If the subsidies decided upon in 1867 were then equitable they are no longer so, because the needs of the provinces are now much greater, their con-

tributions to the Dominion revenue are much greater than was anticipated, and the Dominion has so developed its resources and its income from customs and excise, of which it deprived the provinces, as to give those original provinces a strong claim for enlargement of the subsidy fixed at Confederation.

PROVINCIAL TAXATION.

The Government of Quebec is acting like a financial octopus as it is throwing its tentacles out in every direction to seize upon opportunities of increasing the provincial revenue by taxing all manner of business corporations, enterprises, and financial associations. That the Government must have revenue to meet such obligations as naturally and which, under our political system, devolve upon the provincial authorities is obvious, and that it has constitutional power to impose direct taxation is declared by the British North America Act.

By that Act the province is bound to maintain the local civil Government, to support penal establishments, asylums, schools, and perform other public services of a costly nature.

We do not propose to criticize the various expenditures of the province, but we may affirm that, an impression very generally prevails that there is a wide field open for economies to be effected in the administration of provincial affairs.

A Provincial Government should not be stingy, it should be ready to give financial encouragement to movements and institutions which have in them the promise of promoting the welfare of the community, but which must languish, or be abandoned, without Government assistance.

There are movements, however, that ought, after a number of years, to be self-supporting, they ought in time to have created their own sources of revenue.

Subsidies in aid of special commercial interests are to be thus classified and it is open to question whether a number of annual grants made out of the Provincial Revenue ought to have been made annual charges.

The finances of the province might, with advantage, be thoroughly investigated by a non-political committee, or commission, with a view to economics being introduced in the expenditures.

For the Government to throw its taxing net over the premium receipts of insurance companies shows a singular disregard of what is best for the public interest. Those receipts are, practically, akin to deposits placed in Savings Bank to provide for "a rainy day," as the saying is. In most cases such payments are a direct provision to mitigate the distress of bereavement and the lessening of the payments by taking part of them as a tax is a distinct hindrance to the beneficent objects of life insurance.

Taxing capital direct has been severely condemn-