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THE DISALLOWANCE POLICY.

WITHOUT going into the history of Disallowance, or anticipating the probable results of the struggle which has now begun in dead earnest between Manitoba and the Dominion, it is interesting to discuss its value as a policy. That it is a policy merely, so far as old Manitoba is concerned, and not the result of any contractual obligation by which Canada is bound, is abundantly evident from the wording of the Act of Parliament which constitutes the agreement between the C.P.R. Company and the Dominion. Any doubts which may have been entertained upon this point were forever set at rest by the recent admission made by the Minister of Justice to the Manitoba delegates. The Hon. Mr. Thompson candidly acknowledged that this Province is right in her contention that the monopoly clause does not apply to Manitoba as it existed previous to the extension of the boundaries in March, 1881. Disallowance in old Manitoba, therefore, must stand or fall as a policy simply, and is entitled to be considered in no other way.

The first important aspect is the constitutional one. A policy of Disallowance cannot be exercised without violating the right which old Manitoba, in common with every other province, possesses of building as many railways as she may choose within her own boundaries, and a violation of the rights of a province under the Constitution is, *eo ipso*, a violation of the Constitution.

Not only is the policy unconstitutional, it is most unusual as well. In the other provinces there is not the same anxiety shown to prevent any Canadian road from connecting with the United States railway system. In the extreme east the Government has not only sanctioned but has even heavily subsidised the Short Line, which runs not only to but into and across American territory, traversing the State of Maine. Coming westward we find the C.P.R. throwing out a line at Brockville to connect with the New York system. At Prescott it makes a similar connection. It is projected to meet the Ogdensburg and Portland at the head of Lake Champlain. At Niagara Falls both the Great Western and the Canada Southern connect with the United States system, and the C.P.R. is making a similar connection; and so on. Numerous connections are formed at Detroit and Sarnia. There will shortly be a connection with the United States railways at Sault Ste. Marie, and we have heard no mention of an intention to disallow the Thunder Bay and Colonisation road, which is to run to the border from Port Arthur. It is only when we come as far west as old Manitoba that we find a new policy inaugurated.

The policy is unusual in another regard. In the eastern provinces railways are actually run with the public money, at an immense annual loss, for the express purpose of avoiding the evils of monopoly and keeping down rates. The cost of the Intercolonial, up to 30th June, 1886, was \$44,172,743.16. The excess of expenditure over earnings was \$106,042.84 for the year, and every year an equal or greater loss is experienced. Up to the same time the Prince Edward Island Railway had cost \$3,735,980.89, while the loss on running expenses for the year was \$61,159.98. Similarly the Eastern Extension, from New Glasgow to Port Mulgrave, on the Strait

of Canso, cost, up to 30th June, 1886, \$1,284,495.76, while the loss for the same year was \$27,862.95. Here we have a total expenditure of \$49,193,219.81 and an annual loss of \$195,065.77 for the purpose of keeping up Government railways and avoiding the evils of monopoly. As the roads never pay running expenses, the \$49,193,219.81 must be regarded as loss. Add to this the annual loss of \$195,065.77, which capitalised would represent several more millions. All this expense continues to be incurred because the Government dare not hand the railways over to Mr. Kamper or any one else who might charge monopoly rates, and yet the same Government which maintains these roads at such a terrible cost to ensure cheap rates, not only permits monopoly and high rates in Manitoba, but declares that it will keep up the Disallowance policy at any cost.

Strangely enough, when it is pointed out to citizens of Ontario or Quebec that the Disallowance policy is unconstitutional, and a violation of our rights, without attempting to deny the fact they content themselves with saying that Rupert's Land was bought, the C.P.R. was constructed, and great expenses were incurred on immigration, all for the sake of Manitoba, and that therefore we should not complain. This statement will not bear examination, and the inference drawn from it must fail. In the first place old Manitoba is but a very small fraction of the area of Rupert's Land, so that in any case she could be debited with but a small fraction of the £300,000 paid to the Hudson's Bay Company for that territory. The claim that the Canadian Pacific was built for us is of course absurd. From the western boundary of the old Province to Vancouver the railway unfolds its length for 1,399 miles. No one will say that a mile of that road to the west of us was built for old Manitoba. Nor can it be said that the C.P.R., between our eastern boundary and the Atlantic, was constructed on our behalf. Previous to its construction we had direct connection with the United States railway system, over which we were able to ship anything and everything to the eastern provinces in bond. If we preferred the lake route we were able, from 1878 forward, to ship anything by way of Duluth. Is it not false, then, to say that a transcontinental railway, which has cost the people of Canada \$35,000,000 in works and surveys, \$25,000,000 in cash subsidy, \$10,000,000 in cash lent the Company and abandoned on the resumption of lands, besides other large amounts, was built for old Manitoba, a little province a few thousand square miles in extent? If we are debited at all it can only be with the insignificant mileage of the railway within our Province. In the General Report of the Minister of Public Works, from 30th June, 1867, to 1st July, 1882, that plan is pursued with the result that Manitoba—not merely old Manitoba, but the Province as it has since been extended,—is debited with only \$5,641,181.85, while Ontario is debited with \$13,116,950.42. As the C.P.R. was completed and operated in Manitoba at that time, her share in the cost may be set down at less than six millions, while that of the other provinces would have to be estimated as the difference between six millions and the total cost of the road to the people of Canada, which Mr. Blake places at about \$112,000,000. The cost of the road in Manitoba, therefore, as compared to the cost in the other provinces, would be as \$6,000,000 is to \$106,000,000. But even if we were responsible for much more it must not be forgotten that the money was borrowed, and that we are paying our share of the interest upon the whole amount, and will continue to do so to the end. We are doing more even than that. The gross debt of the Dominion, on the 30th of June last, was \$270,200,373.60, and it is made up of millions of dollars of debts incurred by the other provinces years ago and assumed by the Dominion at Confederation—millions expended upon Government buildings and public works, lighthouses, and navigation, upon the Intercolonial, the Eastern Extension, the Prince Edward Island, and the Short Line railways; upon the Lachine, Tay, Murray, Welland, Ottawa, St. Peter's, St. Lawrence, and other canals; upon the improvement of the St. Lawrence, the Esquimaux graving dock, the Quebec and Cape Tormentine harbours, and ten thousand other important public works built for the other provinces during the last fifty years. Upon all this vast Dominion debt, incurred for objects in most of which we have not one whit of interest as provincialists merely, we have paid interest since our entry into Confederation, and will probably continue to do so forever. Indeed we pay far more than our share of interest into the Dominion exchequer, as any one who takes the trouble to compare the amount contributed by Manitoba in customs and excise with the amounts