

Finally, some one having in mind possibly the financial relations between the central government and the municipalities in England suggested the idea of subsidies. It was proposed that the Dominion should pay over to the provinces a fixed annual subsidy for purposes of government.

There was strong opposition both to the principle and on matters of detail, "agreement seemed hopeless, and on or about the tenth morning after the convention met the conviction was general that it must break up without coming to any conclusion. The terms of mutual concession and demand had been drawn to their extremest tension and silence was all around. At last a proposition was made that the convention should adjourn for a day and that in the meantime finance ministers of the several provinces should meet, discuss the matter among themselves, and see if they could not agree upon something. On the following morning they reported the conclusions at which they had arrived. These with some modifications were ultimately adopted by the convention, reduced to resolutions, and the 'financial crisis' passed away."

The finance ministers had gone to work by dividing up the debt of Canada into five millions of local debt connected with local assets to be retained by the Province, and sixty-two and a half millions of general debt to be assumed by the Dominion, together with all assets connected therewith. This last amounted to about \$25 a head on the people of