

Italy's adherence to the Driebund is one of the questions raised in connection with the Ministerial crisis in that country. Prominent among those who ascribe the financial difficulties of the country to the Triple Alliance is Signor Caralotti; the rupture of the agreement finds in him an open advocate. He takes the ground that the finances of Italy will never be restored to a normal condition till the country is divorced from the Alliance. How far this feeling extends is uncertain. Probably foreign intrigue against the Driebund counts for something. The King, who favors the Alliance, appears to have been able to get his own way, though the margin of his success is perilously narrow.

Mr. Davitt attributes what he calls "the depopulation of Ireland under landlord government" to the absence of Home Rule. But this movement of population has a well-known commercial cause. Millions of Irishmen have emigrated because they knew that by so doing they would better their condition, and no degree of Home Rule would have materially interfered with their choice. For the same reason population has been moving from the east to the west for centuries. The stream continues even within the limits of a nation, say the United States, where, more than half a century ago, the Eastern States began to supply population to the West. The movements of population to, from and within our own country, have the same economic motor.

FINANCIAL AUTONOMY.

Quebec is the first province to set a courageous example of financial independence. Her necessities are greater than those of any other province; to her the crisis which calls for decisive action comes before it comes to any other of the sisterhood whose position is similar to hers, and it is much to her credit that she has made a determined resolution to face it, in the only way that can bring permanent success. Up to the present, direct taxation has been the hobgoblin used to frighten the local governments, and the experiment succeeded to a miracle. Direct taxation appealing powerfully to the imagination of the local Administrations, they became the victims of their own illusions. All sorts of calamities were pictured as the result of direct taxation, the crown of all being expulsion from power of whoever should have the temerity to resort to it. How to raise a revenue by direct taxation was a problem that paralyzed those responsible for its solution; they did not dare to set to work to answer it, but took refuge in evasion and delay, and, some of them, in appeals to the Federal Government for doles from the general Treasury. If Quebec can show how the problem can be solved by a property tax of a mill in the dollar, on land, and a corresponding burthen on other forms of wealth, her sister provinces ought to be much obliged to her.

One thing is essential, if a proper basis is to be secured: all classes of the population should be called upon to contribute in proportion to their annual income. The

theory has been that the Quebec farmer would not bear direct taxation, and that to impose it upon him would bring political ruin to the ministry that proposed and the party that voted it. Quebec now sees that to preserve her honor and her credit, no other course is open to her; that the evil day, which has been dreaded for twenty years, has come at last, and that it behooves her to make the best of it. When the fright has been got over, it would not be strange if a few years hence the popular imagination should find it difficult to conceive that it ever existed. However this may be, the dread of direct taxation has been an overmastering passion. Each political party tried to exploit it to the prejudice of the other. Direct taxation was the one unpardonable sin which the arch-enemy was represented as seeking an opportunity to impose. The truth is that each party was equally eager to avoid the evil which it was charged with conspiring to bring about. The increase of provincial debt was indeed the nearest road to direct taxation, whether so intended or not. From the first, the proper thing would have been to accept direct taxation as inevitable and necessary. No provincial debt should have been incurred without providing for the interest in the only way which the constitution gave the provinces power to provide, direct taxation. If this policy had been acted upon from the first it would not have been easy for Quebec to pile up so large a debt; the necessity of laying on new taxes to meet the interest of each new addition to the provincial debt would have operated as a salutary check on the increase of that debt, and it is safe to say that the debt of the province would not to-day be half what it is. It would have been, and now is, necessary and desirable that the tax should be felt by the great body of the people. If all the taxes of a country could be thrown upon one class, all others would look on with the most unperturbed and philosophic indifference; some would even enjoy the spectacle of others being obliged to bear burthens from which they themselves were free. In this respect, a light tax on land would be peculiarly valuable, as it will reach the farmer, the most sensitive of all; but of course it is essential that the tax should not be in any way exceptional. It is the duty of all citizens to bear their just share of the public burthens, and any attempt to evade that obligation is an act of dishonesty, as much so as cheating in private life. This is on the supposition that the tax is reasonable and just as between class and class, man and man.

The absence of a proper feeling of responsibility for the fiscal administration has proved to be one of the greatest calamities which have befallen some of the provinces. So long as borrowing was possible without providing, by new taxes, for the interest, the road to ruin was wide and smooth, leading down an easy incline. Had a proper responsibility been felt and enforced, the downward progress would have been much slower and the distance made shorter. So long as the hope remained that the ultimate responsibility would be thrown upon the Dominion, that there would never be

an end to "better terms," that somehow the Minister of Finance could be made to yield to a stand-and-deliver demand once every year or two, nothing else was thought of in certain provincial treasuries, but how to get the largest amount and to spend it to the greatest political advantage. Each new raid would make it necessary to lay on new or to increase old Federal taxes; but even this necessity was not beyond the possibility of being utilized in the form of an outcry against the extravagance which the new impost evinced. Thus a province could occasionally shift its responsibility and throw the odium due to its own acts upon a political organization of another color. Provinces deluded themselves into the belief that what they got in this way was pure gain, as if it came from the clouds. Without fiscal responsibility there can be no true local autonomy, and without a system of local taxation there can be no salutary fiscal responsibility. Quebec now bids fair to get both the one and the other. The subsidies proved to be a fatal snare in this particular. They were willingly accepted, and the increase of their amount eagerly sought, simply because they entailed no responsibility on the recipients. But the effect was to paralyze local effort to raise a revenue; the attempt to raise one on an adequate scale, would have been deemed a work of supererogation. But it ought to have been foreseen, from the first, that the subsidies would have to be supplemented by independent sources of revenue. The framers of the Confederation Act did foresee the necessity and secured authority to enforce it. The halt came from the depositories of the new taxing power. At the bottom lay the popular dread of direct taxes. The essays that were made to collect a local revenue were partial and therefore objectionable; they were given a restricted form in the expectation that the number of persons who would have a right to complain would be few, and that the popular vote would be unaffected. At last, the time for shilly-shallying is past, the enemy is at the gates of Quebec, and he must be driven out by enlisting the mass of the people in favor of fiscal reform. The other provinces will naturally watch with intelligent interest the process of regeneration that is going on there.

A COMMERCIAL FEDERATION.

Is it not desirable for British merchants and manufacturers "to confer as to possible success in employing other means than mere example to secure a market for our trade," since "the moral example and practical results of Free Trade have failed to recommend themselves to the voluntary adoption of other States?" This significant question occurs in the course of an article on British Confederation in the May issue of the *Chambers of Commerce Journal*, which begins by a reference to the recent resolution of the Canadian Parliament respecting our trade relations with the Mother Country as having a direct bearing upon the congress of British Chambers of Commerce to be held in London this month.

Canada, says the journal quoted, is the