

\$2,000,000 which must be raised either by increasing the public debt or by increased taxation. Although the taxation of the people is far in excess, and the revenue consequently much greater, than when the present government took office, yet the public debt is augmenting yearly by millions, and there seems no desire to keep it down. The present revenues of the provinces ought to be quite sufficient to carry on all the necessary work for which the provincial governments have an existence, and they would be amply sufficient, were it not for the wild and reckless extravagance of the local legislatures. In this respect, Quebec and Nova Scotia have set the worst examples, although the latter especially has been treated with great liberality by both Conservative and Liberal governments in the past. Besides, that province has now a great source of revenue in the royalty received from its coal mines, and which is certain of great expansion in the near future. But the cry all round is for more money—more subsidy, and hence the organized raid of the provincial premiers on the federal treasury. A statesman of firmness at the helm in Ottawa—a Macdonald or a Tupper—a Brown or Blake—would meet this raid with an unqualified refusal. Better far if we have this money to spare, that it should be used in the reduction of the public debt, or in the promotion of some great enterprise of national importance such as a fast Atlantic freight and passenger steam service. We know the opinions of the great Liberal leaders of other days, especially such men as the late Hon. George Brown and the Hon. Edward Blake in regard to this question of provincial subsidies. Both before and after confederation Mr. Brown repudiated the idea that the provinces would be allowed to make periodical raids on the Dominion treasury for larger subsidies. Mr. Blake gave unmistakable expression to his views on the same subject when the measure for 'better terms' to Nova Scotia was under discussion in the House of Commons, and he recorded those views in an amendment to the bill, declaring that it should be regarded by all concerned as a finality. A tendency to extravagance and running into debt has been the most obvious feature of administration in all the provinces since the union, and this last conspiracy of the local premiers if

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successful, will not encourage their extravagance, or check their proclivity to involve themselves in debt beyond their means or resources.

An able and moderate Conservative journal, published in Montreal, has this to say about the contemplated raid :

It is a distortion of facts to say that the embarrassment of the provinces is due to increases of the public expenditures which the federal subsidies were designed to provide for. The provinces are hard up because those who had control of their administration and guided their legislation were in every case extravagant, and in some cases corrupt. The case of Quebec does not differ from that of the other provinces, except in degree. Its troubles began when its legislators found out how easy it was to borrow money on the credit of the province, and how much easier it was to spend what was thus borrowed. Then was started the system of reckless railway subsidizing.

In the light of events, one is forced to the conclusion that it is to be regretted the Act of Union, while giving the local legislatures freedom of action in regard to direct taxation, did not deprive them of the power to pledge the credit of the provinces for borrowed money, or to incur public debt of any description, without the consent and approval of the federal authorities. We should have a declaration of the policy of the government on this important question at an early day.

The leading Conservative journal in the maritime provinces, the Halifax 'Herald,' has this to say about the raid :

But even supposing the provincial premiers' excuses had been much better, their case would still be weak. What are the cardinal facts determining this matter? Manifestly these: the Dominion can have no public money which the people must not pay, or pay for. The Dominion expenditures are now, year by year, greater than the revenue, notwithstanding the flush times, and the Dominion public debt is increasing by several millions every year. If two millions extra is to be paid to the provinces, the expenditures must be cut down, or an extra two million dollars of taxation must be imposed. Such provincialist demands on the federal treasury to provide for provincial extravagance cannot be tolerated. Such things cannot be worthy of public approval.

It appears as if the government, after six years of vacillation, had at last decided to do something, or appear at least desirous of doing something, to provide a fast Atlantic steam service, which all admit Canada so much requires. Every one now sees the unfortunate blunder the administration made when they refused to adopt the contract entered into by Sir Charles Tupper with the Allan Company before going out of office