

involved, is not this not perilously near a confession that the Dominion is unable to pay the principal of its debts? May it not at least be thus looked upon by the outside world? The policy, too, is surely a short-sighted one. The business firm which carries a heavy debt is clearly handicapped and placed at a great disadvantage beside an adjacent firm with abundant capital of its own at command. Should the former find itself unable to make provision for the payment or reduction of the principal of its debt, and feel compelled to struggle on from year to year by means of renewals, its position could scarcely be deemed secure, or itself really solvent. We cannot suppose that Sir Charles means to endorse the transparent fallacy that a heavy national debt is no drawback to a nation's prosperity, or that it is, as has sometimes been seriously argued, even a blessing in disguise. No reasonable man can doubt that if Canada could be freed at once from the burden of having to provide annually for the payment of interest, even at the rate of three and a quarter per cent. on \$250,000,000 or \$300,000,000, her progress would be greatly accelerated. Surely, then, it is desirable, from every point of view, that provision should be made, even at the cost of much present self-denial, for the gradual reduction and final extinction of this very heavy obligation.

THE Senate Committee, presided over by Dr. Schultz, have rendered good service in bringing to the knowledge of the public the vast and varied resources of the regions embraced in the basin of the great Mackenzie River and its tributaries. The chairman, in presenting the third report, dwelt particularly upon the value of the country as a fur-producing territory, and the need of some steps being taken to preserve some of the most valuable of the fur-bearing animals from extinction. It is to be hoped, however, that some method may be devised less objectionable than that which he suggests, viz., the leasing of an immense tract to a company on terms similar to those made by the United States with the Alaska Fur Company. Such monopolies are very doubtful in principle and almost sure to lead to complications and abuses in practice. The opening of easy and rapid communication with this valuable northern land, in the absence of which it must remain largely unoccupied, and its rich resources undeveloped, will be a formidable task, and one that may probably be postponed until the accessible prairies of the North-West are much better settled. At the same time it is very gratifying to know that Canada has a land so extensive and fertile in reserve, ready for occupation whenever she may find it desirable to open it up. The fact can hardly fail to redound to Canada's benefit abroad as well as at home.

THE agreement made with the Canada Pacific Railway Company for the surrender of its monopoly rights in the North-West appears, as embodied in the Resolutions carried through the Commons by Sir Charles Tupper, somewhat less favourable to the Government than the first announcement led the public to suppose. The lands still remaining in the hands of the Company, unsold, or unpaid for, are pledged primarily for the benefit, not of the guarantor, but of the bond-holders, though as the interest accruing from any money derived from this source is to be applied to the payment of the guaranteed interest on the loan, the risk of the guarantor is so far lessened. Again, the payment of that interest is not made, as was inferred from Mr. Pape's Report, a first charge on the postal and other subsidies, payable by the Government to the Company for services rendered. If however, as Sir Charles Tupper and the Minister of Justice intimated, the Government would have a legal right, should it be called upon at any time through default of the Company to pay the interest on the bonds, to appropriate for that purpose any subsidies due the Company, or afterwards earned by it, the result is substantially the same. The point is, evidently, a very important one, not only to the shareholders but to the Government, since, notwithstanding the very satisfactory standing and progress of the Company, as shown by its last annual Report, the new charge of \$525,000 annually must press heavily on its resources for many years to come, and is probably far in excess of any immediate returns which can be anticipated by the Company from the investment. On the other hand the expenditure of the money in improving the road and its equipments and extending its branches can hardly fail to be of great service to the whole country through which it runs, while all good citizens must rejoice that Manitoba and the Territories have at length been freed from the crushing burden of the monopoly, and that a source of serious disquiet and danger to the Dominion has been taken away.

SOME presumably authentic statistics given by Sir Charles Tupper, in his speech on the railway resolutions, suggest very forcibly the immense capabilities and possibilities of the vast prairies of Manitoba and the

North-West. The cereal crop of last year was, according to this estimate, as follows, viz.: total wheat 12,860,000 bushels—for export, 10,613,000 bushels; barley, 2,263,000—for export, 1,130,000; oats, 5,780,000—for export, 2,890,000; flax, 180,000—for export, 150,000 bushels. It thus appears that a body of not more than 16,000 farmers all told produced over and above home requirements about 15,000,000 of bushels of grain for export, or more than 900 bushels each. It is doubtful if this record has ever been excelled or equalled in any country. It would be manifestly beyond all possibility in any but a prairie land, when the soil is most productive, and machinery can be very freely used. It should perhaps be explained, for the benefit of those accustomed to a different state of things, that by the term "farmers" is meant the whole body of workers, not simply overseers or employers of labour.

It is difficult to understand why Premier Mercier and the Quebec journals which follow his lead take it for granted that the new Governor-General, Lord Stanley, is coming out to promote the Imperial Federation movement. Lord Stanley has not only publicly repudiated any such object, but has distinctly stated that he is not even a member of the League. If he is disposed to sympathize with its avowed objects, that is no more than the departing Governor-General, who has shown himself so thoroughly impartial and constitutional as a ruler, probably does, or than most Englishmen, looking at the scheme in the abstract, apart from the difficulties which render it well nigh impracticable and hopeless, are pretty sure to do. But unless Mr. Mercier is in possession of some facts which have not been given to the public, justifying his assumption in regard to Lord Stanley, it seems very unfair that such a prejudice should be sown in the minds of the French-Canadian people in advance. It will surely be time enough to raise an outcry and indulge in strong protestations and threats when Lord Stanley shall have given the slightest cause for suspicion that he is coming amongst us with any other mission than that of a constitutional Governor under the British Crown.

THERE are indications of strained relations between the civil and military authorities of the British War Office. For some time past there have been symptoms of uneasiness in Parliament and the Press, in view of alleged deficiencies in the strength and equipments of both branches of the military service. In a recent after-dinner speech Gen. Lord Wolseley indulged in strictures of a decidedly alarmist character. These drew upon him pretty severe rebukes from both the Duke of Cambridge and Lord Salisbury in the House of Lords. The Commander-in-Chief took occasion to say that the sensational articles in the newspapers, purporting to emanate from the "highest military authority," did not proceed from him. The Premier spoke still more plainly and complained that Lord Wolseley had made statements at a public banquet, which ought to have been made in Parliament where they could be answered. The primary cause of the difficulty is no doubt the perennial one springing from widely diverse views in regard to the expenditures and estimates for military purposes. The military chiefs, looking to the extension and perfection of the Army and Navy defences according to their own professional ideals, would naturally like to see improvements made on a princely scale. On the other hand, the civil heads of departments, responsible to Government and Parliament, and through him to the tax-payers, have to limit their expenditures within the much more modest bounds. A striking instance of the discrepancy between what is thought desirable from the military, and what is deemed practicable from the administrative point of view, is afforded by an incident criticised by Lord Randolph Churchill at a sitting of the Select Committee of the House of Commons the other day. General Nicholson, who prepares the estimates for the War Office, considered that £900,000 was required for barrack accommodation, but, knowing that it was useless to ask for such a sum, he put £200,000 in his estimates, and this Mr. Stanhope, the War Secretary, in his turn cut down to £13,950. A serious falling off, truly!

AFTER all, in view of the fact that the War Office spends about £20,000,000 annually, there must be, unless enormous misappropriation and waste prevail throughout, some pretty tangible results achieved somewhere. Lord Salisbury's guarded observation that there had been a considerable increase in preparations within recent years, means, no doubt, a good deal. Meanwhile all this excitement is producing its effect at home and abroad. The Duke of Cambridge denies that the country is in imminent danger, though even the modified form of his denial is adapted to intensify rather than allay the public disquiet. When it is announced that modern 30-ton guns are being mounted at Sheerness, that other measures of defence are