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THE SITUATION.

From its very nature the Manitoba school question was destined to divide existing political parties. The division in the Cabinet was perhaps not greater than it was outside. On the question of introducing remedial legislation this session instead of delaying it till next session, in the hope that action on the part of the Provincial Government may by this time have made it unnecessary, the Cabinet is believed to have stood seven for and seven against. This ensured delay and led to the resignation of Mr. Angers. If rumor may be credited, Mr. Wallace, though not a member of the Cabinet, will resign when the remedial bill is introduced, for the opposite reason to that which actuated M. Angers. Several supporters of the Government from Ontario may be relied on to bolt at this juncture, and the attitude of the Liberals is uncertain. If the leader of the Opposition has refused to declare himself, in explicit terms, the hesitation may be taken as a desire to press opportunity into his service, if possible, but the possibilities are not likely to be greater with him than with the other side. In both parties will be developed a cleavage on what both sides of the division deem vital grounds; there are men on both sides who are terribly in earnest; the ruck of the politicians without distinction of party are afraid of nothing so much as the echo of their own voices; by the law of their being, they are all obliged to look to the opinions of the voters in their constituencies. It would have been more candid and statesmanlike if all parties had recognized, from the first, that this is a disturbing question on which neither of the great political parties can retain its unity, though when the disturbing element has done its worst, the ranks of both parties may close again, so as to leave few perceptible gaps.

In American street railways, more perhaps than in other railways, the tricks of capitalization have been availed of. The *Street Railway Journal* publishes a statement showing that the average capitalization of these roads reaches \$95,000 per mile of track. "This capitalization," remarks the leading commercial journal of New York, "is so large as to create a doubt of its genuineness." The difference in the capitalization of the different roads may fairly be held to amount to proof of excess in many cases. A capitalization may honestly vary with the nature of the

motor, the mode of its application, and style and cost of construction; but the distance between \$10,800 in Florida and \$146,800 in Connecticut, is doubtless due to the sway of the genius which invented wooden nutmegs. The roads which cost most to construct are those operated by the cable system, but they only cover five per cent. of the whole. The cheapest to operate is the trolley, before which horse competition consequently gives way. The vice of imposing false capital on the public, in the Republic, has become so great that many of the recent State constitutions require subscriptions to corporate stock to be paid in money: a requirement which the legislature of Ontario applied to the trolley companies last session.

Belgian legislation takes the direction of a protective tariff. Owing to the cheapness with which she has shown her ability to produce, in certain lines, she has learned the secret of competition in the markets of the world in what she has made her specialties. She might, on this account, be thought to have many motives to favor free trade, and while she now courts protection, it must be in lines in which she has not yet become an adept. If all countries wished to sell without buying, they would end by putting a term to international commerce. Whatever road Belgium may travel, her goal must be ability to compete in the markets of the world, for which she has shown special aptitude.

At the meeting of the State Bankers' Association of New York, held at Saratoga, a resolution against every form of unsound currency, and especially against restoring silver at a ratio of 16 to 1, was passed. They favored "the highest standard known to the nations," that is gold, which would seem to exclude silver at any ratio. The representative bankers recite the fact that they owe \$890,000,000 in the form of deposits and \$193,000,000 to the shareholders, apparently to show that, as debtors, they are willing to pay in a sound currency and others ought to be equally willing. Every one who has borrowed in a sound currency ought to be willing to pay in the same currency. Unless we can conceive of the banks apart from the shareholders, and this is impossible, for they are identical, the \$193,000,000 capital is owing to themselves. Altogether, a better argument than this of indebtedness ought to have been available, since more is owing to the banks than they owe. So that on the motive of personal interest, which is appealed to, the argument may be in danger of being thought to tell the other way.

Disaster has overtaken the first shipment by the Government of Canadian butter to England. The steamship "City of Mexico," which had been specially fitted up for the purpose of trade which requires such accommodation, unfortunately foundered in the Strait of Belle Isle. The untoward incident will put obstacles in the way of the experiment, and may, perhaps, retard it. It was resorted to only as a means of improving a product which has suffered much in the making and the handling, and not in the expectation of commercial profit. Cold storage, which without official intervention would scarcely have been absent or inadequate, is certainly a good thing. It ought not to have required Government intervention to convince farmers that only good butter will bring good prices, though the ordinary appeals to self-interest seemed to have failed. As a commercial venture, a loss from the experiment was counted on from the first.

The unfortunate accident on the way between Toronto and Victoria Park brings forcibly home the difficulty of operating a trolley on a single line of railway. Where, as here, there are four turn outs, you cannot place telegraph