

covenant for payment, may seem to some to dispose of the argument that the income in question is not income in the sense of being a part of the company's earnings.

But surely the company's covenant to pay, and their sworn statements that certain amounts are, as required by law, set aside as the property of policy-holders, should be accepted as sufficient evidence of the money being held by the company for a specified purpose and in trust.

It has been decided that the interest on the amount invested by the Canada Life for its policy-holders is income within the meaning of the Assessment Act. This being accepted as a final decision of the court of appeal, it will be necessary for policy-holders and assurance companies to combine in the protection of their interests and for a concerted effort to be made to obtain such parliamentary revision of the Act as will enable the companies to obtain exemption from taxation of any such part of its profits or income as may be set aside as a trust fund for policy-holders.

To regard policy-holders as partners of a company in the profit income of the business transacted evidently renders the policy-holders' fund liable to taxation. But the said policy-holders do not receive the profits which are reserved or set aside by the assurance company, and, if the money thus reserved by a company for the purpose of enabling them to discharge their obligations to policy-holders, when death or the lapse of time makes a policy a matured liability of a company, is legally liable to taxation, it is high time that this tax upon thrift should be removed.

Those who framed the Assessment Act cannot have contemplated making the savings of the prudent and thrifty a source of revenue to any municipality.

IS AN ALLIANCE WITH GERMANY DESIRABLE?

There was something deeper than the surface reasons indicated in the recent sudden aggression of Russia in China. It is somewhat significant that it synchronized with a very acute stage upon which the question of the dismemberment of the Ottoman empire, brought up afresh for the consideration of the leading European Powers, by the close of the Greco-Turkish war, had just entered. The explanation which seems to be most plausible is that, seeing that her long-cherished desire to possess Constantinople was still sternly opposed by a majority of the other Powers, who were evincing a disposition to settle that extremely delicate question in a way which would not satisfy Muscovite ambitions, Russia determined immediately to draw public attention away from the dominions of Abdul, and fix it upon the Celestial Empire. The extent to which her aggressiveness and audacity went in China was doubtless the measure of her anxiety to change the venue, as it were, of European opinion.

That Russia has not been more successful than she

has in China is no fault of her astute Foreign Minister, who, to a mastery of the tortuous methods which have ever characterized Muscovite diplomacy, adds the further important qualification for his office of having as his right-hand man in the new Minister of War, a distinguished, an intrepid and a much-travelled soldier who is loved by the Czar and idolized by the war party and the army. Skobelev's chief in the Russo-Turkish war, General Kuropatkin, has succeeded that born warrior, whose life reads like a story of magic daring, in the hero-worship of the army of five millions of soldiers of whom he is to-day the supreme head. He exercised a powerful influence in the counsels of Russia when the alliance with France was agreed upon; for not only has he earned the "knight-hood" of the Legion of Honor by military service in France—a distinction said to have been held by no Russian officer before him—but he has actually taken part in an African campaign, conducted by the French military authorities. In central Asia he has seen much active service. He was in Turkestan in 1866 when Bokhara fell; he was there again, 1876, when Russia added the Kokhaid to her dominions; he was there once more in 1889, when Skobelev fought his last campaigns against the Turcomans. He has travelled through Persia, and is well-acquainted with the interior of China, his knowledge of which must have been of special value in Russia's recent encroachments there.

With the lust for increased dominion, which has for so long been her settled policy, both in Europe and in Asia, and with two such men as Mouravieff and Kuropatkin directing her Foreign and her War departments respectively, Russia is to-day a more dangerous foe to the peace of Europe, and, practically, of the whole world, than she has ever been. Her long-withheld consent to France's iterated petitions to enter into an alliance was finally granted on grounds of selfish expediency alone. Such an alliance must suggest mingled feelings to the political philosopher, repugnant as it is to every principle of the Revolution, and to every principle on which the French Republic is supposed to be based. An autocracy is assuredly the opposite pole to a democracy. But political exigencies, like poverty, bring together strange bed-fellows. Russia has everything to gain, and nothing to lose, from her alliance with France; while with the latter, who stands isolated, a great republic on a continent of great monarchies, the contrary is the case.

The policy hitherto followed out by Great Britain as a means of preserving the peace of Europe seems better calculated to attain its object than that recently advocated by Mr. Chamberlain. Her policy has been to keep on friendly terms with the nations, which constitute the Dreibund—Germany, Austria and Italy—lending them the preponderating strength of her support whenever she deems it advisable and withholding it whenever she has a different opinion rather than entering into any formal alliance either with the Dreibund or with any of the Powers who are