

from every wind; and when both sides are unreasonable, what result can you expect?

In his Budget Speech, Mr. Harcourt, Treasurer of Ontario, says: "We are now face to face, for the first time, with revenue conditions such as have heretofore not existed, in the history of the province." There is a deficit, which has to be made good by additional revenue, for which the timber policy is largely responsible. "Our much-debated policy touching the lumber question," Mr. Harcourt proceeds, "has met with universal approval. Rather than even think of receding from the safe vantage ground we occupy, that of preserving for our own people the cutting of our logs, we prefer to face the possibility of a largely decreased revenue from our timber and make provision for meeting the deficiency in some other way." A Government must always be prepared to take the consequences of any line of policy it may resolve upon. The timber policy proving costly, must be paid for in new taxes or the diversion or increase of old ones. This was of course foreseen. This policy was demanded by the Opposition, even before it was certain how the Government stood upon it. Mr. Harcourt claims for it unanimous support. Will the Ways and Means of meeting the deficiency be accorded equal unanimity?

American successes in the Philippines continue, though Aguinaldo has apparently not yet played his last card. Meanwhile, the Senate of the United States has passed what may be called a soporific resolution. It declares that the ratification of the treaty of peace "is not intended to incorporate the inhabitants of the Philippine Islands into citizens of the United States;" disclaims the intention of future annexation, and adds that it is "the intention of the United States to establish on such islands a Government suitable to the condition of the inhabitants" and to prepare them for local self-government, and in due time to make such disposition of the islands as will best promote the interests of the citizens of the United States and of said islands." What will be best for both is left to the judgment of the future. In the meantime, the resolution denies to the Filipinos the rights and privileges of American citizens; the Republic may nevertheless govern them, in the meantime, with considerable equity, as colonists. The passage of the above resolution, which bears the name of McEnery, its author, was the condition on which assent to the treaty of peace was obtained from the Senate. Senators who voted for the treaty, pledged themselves, in advance, against annexation, in this form. The resolution however does not necessarily enable us to see far into the future.

In the opinion of the great Russian literateur, Count Tolstoi, the Czar's proposed disarmament deserves contempt and derision if not indignation. He regards the desire for territorial acquisitions as the cause of the increase of armies, and believes that while this desire continues in its present active state, reduction will be impossible. He has no faith in the pretended desire of Governments to reduce the armies, but believes that its expression is merely an attempt to hoodwink one another. While he thinks the refusal of individuals to serve in armies is the best way of obtaining general disarmament, he admits that it is not an open way, since the Government will never permit their subjects to exercise the right of refusal. The Doukhobors of Russia have, as far as they could, acted on the lines suggested by Count Tolstoi, and the result is they are glad to expatriate themselves to Canada, under an agreement exempting them from military service.

THE MONTREAL CHARTER.

The proposed special charter for the city of Montreal has developed a difference of opinion between the municipal council of the city, the promoter of the bill, and the bankers, as to the mode in which the banks should be taxed. The banks, as the manager of one of them pointed out, do not seek to escape taxation; they only ask that it should be of a kind which they recognize as fair. One difficulty arose about the proposal to tax agencies; the plan proposed, it is contended, would work great injustice. The city corporation contend for the taxation of dividends; the banks say they ought to get off with paying a business tax, bearing some proportion to their magnitude. Perhaps some middle course may be found, by way of compromise. One thing, as a matter of principle, seems quite clear: municipal taxation should be confined to the business done in the municipality that receives the money. If dividends are to be taxed, how is the distribution to be made? If dividends are to be taxed, regard should be had to the incomes of the recipients of dividends, otherwise the exemptions which are allowed, in individual cases, would be lost to stockholders whose total incomes do not exceed the amount of the exemption. It would be difficult to make the facts clear, but an attempt was made, under Pitt's income tax. Let the ordinary exemption be, say \$500 a year; and if a person has an income of only \$400, and that derived wholly from bank stock, he would, under a wholesale method of taxing the dividends, have to pay taxes on every dollar of his income. Inequalities and injustices of this kind ought to be avoided.

MANITOBA MATTERS.

The annual report of the Winnipeg Board of Trade contains a record of one novel demand made on the Dominion Government on behalf of that city. It was that the government should provide electric power to the city, at "a fair price." It is true the proposition did not stand alone but was connected with an application for the improvement at St. Andrew's Rapid, near the city. If electric power is to be supplied by public bodies, the municipalities, which would directly benefit, are more natural agencies than either the Provincial or the Dominion Government, and of these two, the latter seems to be farther away from this sort of work. The case in question is somewhat exceptional, on account of the connection of the means of creating electric power with a wished for improvement in navigation. The council of the Board of Trade named, fairly enough, the price to be paid, "at a sum equivalent to the interest on the cost of construction;" but when it went on to name a minimum figure, "not more than \$20 per horse power per annum, delivered at Winnipeg," it ran some risk of the cost not being covered. The main question is whether the Government car, as an incident to the function of improving navigation, enter on such work at all. Of course, in this case, if the power were created at all, it would be in the control of the Government, and its sale to a corporation, public or private, would not differ in substance from the sale of water power on the canals in Ontario. The question put by the Winnipeg Board of Trade appears not to have elicited an answer.

A thousand more Doukhobors on their way to Canada will not lessen the necessity or desire to protect the public against the contagion of small pox. In Ontario we hear of vaccination and revaccination being made universal. Disinfection, at Halifax, does not necessarily destroy all the germs of the disease; and, last year, some anxiety was