MER.—Thanks, but excuse me, is not that Old Rye? Merci, these cigars are A. 1. (Looking about the room)—By Jove, you've got into good quarters here, eh? Better than the old Tub days, some !

Dio :- (With dignity)-Umph 1

MER.—A Tub might have done well enough for a young fellow, in that climate, too, but hardly the thing for a man of your age in a Canadian winter. Where, for instance, would you put the hall stove, and how about double windows? ha, ha! Dio :—You are facetious, sir,—

MER.—Well, don't be riled, old—ahem l—I was saying you burn a Moderator, ch ?—Much better than gas,—at least the stuff the M. G. Co. supply; why, sir, we wouldn't have stood it in Arthur's time. Capital thing is a Moderator, but not used enough. Depend upon it, sir, your Politicians should use it; your Financiers need it; so do your Preachers, and your Authors. (By the bye have you any?) In fact the Lamp of Truth is certainly a Moderator—and better old—ahem—sir, far than a horn lantern to sit by.

DIO :- My lantern, sir, is good enough.

MER .- Of course, but you've given up that absurd search of yours, eh ?

DIO .- Well, I confess I have little encouragement to go on with it.

MER.—Not even here? in this enlightened and virtuous land? Well, you astonish me. But, I say, Dio., my boy_____ (helping himself to O. R.)---

Dio :- Let me remind you, Doctor, of an old saw, " Familiarity, etc.," verbum sup. My name is Diogenes.

MER,—(Aside, sotto voc) I know,—once called the dog;—(aloud)—Excuse me, my dear sir, poor Arthur and I were on terms of the greatest familiarity;—*mais n'importe.* Heigho! this reminds me of his box at Camelot. Poor dear Arthur ! (More O. R.)

Dio :- Poor dear Arthur never had a cigar like that for a friend.

MER .- Well, perhaps you're right ; but I was going to tell you what brought me in here.

Dio :- At your pleasure. Light another cigar and fill your glass ; there's nothing in it.

MER.—Then it must be like the Intercolonial Railway, - or like the pockets of G. T. R. shareholders. You see I do know something about your affairs. I suppose you are under the impression that I know nothing.

Dio: (interrupting blandly)-Not exactly that.

MER.—I mean about this odd corner of the habitable globe. But, let me tell you, I've had a finger in most of the pies that have been made here since long before the late J. Cartier, Esq., paddled his canoe on the great St. Lawrence.

Dio .- Really, I had no idea.

MER.—But the fact is, since our little "mix up" in Arthur's time—you remember Vivien, and all the rest of them ?— I've kept pretty well out of the way. But, I confess, I sometimes feel tempted to cut into the Ottawa rubber. Those fellows do play a bad game—as for their finessing—bah !—They've got a man now, though, who understands the odd trick :

Dio-Meaning "F. H. ?"-

MER.-Late of the Windward Isles!-the same. I wouldn't be surprised if in the next parti, he is found to hold the right Bower, guarded

Dio .- Play it alone?

MER.—Likely enough; the respected descendant of the gentleman, whose name I mentioned just now, plays a good game, too—so let him beware. But let us leave these small fry, and turn to something more important. I have long watched the efforts made by you, DIOGENES, to cater for the amusement of those about you. The gratitude of thousands testifies how well you have performed your task. You are about to commence the third series. Am I not speaking your own thoughts when I say you are confident that the words of wisdom, spoken by you, will exercise an inaportant influence over the minds of men? [Here the Doctor rose as if carried away by his subject, and, after replenishing his glass, continued]—Yes! your object is to instruct as well as to amuse. To strengthen loyalty, to dash down treason, and to cover with ridicule the projects of those who are for anything except the Dominion as she ought to be? I pause for a reply.

Dro.-Oh, go on.

MER.—You will never pander to vulgar tastes by low buffoonery, or by irrevent and fruitless attempts at wit. Not perish the thought! Your pen shall be pointed with satire, though dipped in the milk of human kindness ; and thousands yet unborn shall rejoice over the noble works of —er, yes, —just so, —(finishes his O.K.) Now, all I want you to do is to give me the European Agency.

Dio.-My dear Doctor you shall have it.

MER.-Then, after DIOGENES,-MERLIN!

Dio.—See! here is the copy for the next Number.

MER.-No Capital in Europe shall be without it. And now, adieu. Be happy as you are virtuous !

DIOGENES arose, and the two Sages embraced warmly, after which the aged Astrologer departed, having under his arm the inestimable gift, which is now presented to you, viz. :

THE 1ST NUMBER OF THE 3RD VOL. OF DIOGENES.