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TORONTO, FRIDAY, JUNE 6, 1902.

THE SITUATION.

The Ontario elections have come and gone, and Premier Ross finds himself in possession of a reduced majority, about one-fourth of what it was in the late House. There are some contingencies yet to be met, which cannot be accurately foreseen, chiefly in the form of recounts. There may of course be protests, but of these little is at present known. When the majority counted four, Mr. Ross said it was sufficient; others think it will grow, and others again talk of the possibility of its disappearance. The question of prohibition played a very subordinate part in the contest; not a single prohibition candidate was elected, though the result in two or three constituencies is supposed to have been affected by the prohibition vote. The fact shows that prohibition, as a question of legislation, has hitherto occupied a position to which it was not entitled. The referendum will decide its fate, on a direct vote, when nothing else can interfere with it, in December next. As one of them, Mr. Ross will be due at the meeting of Colonial Premiers, in London, on the occasion of the Coronation; in the present state of affairs it may be difficult for him to get away. Events may move so as rapidly to decide questions now open; but the chances are that the period of suspense will be continued for several weeks. When the new Legislature will meet is a matter likely to depend upon recounts and possible protests; the tendency would be, if we look to Canadian precedents, to delay it as long as circumstances will permit. We do not look for an early session.

The South African war, in which Canada voluntarily took part with Great Britain, has happily come to an end, by the surrender of the Boer forces, on terms which promise to ensure their future friendship, and which are likely to prove advantageous to both sides. All the commandoes under arms, in the field, at the time of the surrender of the chiefs, are counted on as certain to follow the example set them and acquiesce

in the terms of peace, which are generous and even magnanimous to the defeated Boers. The right to use the Dutch language, in schools and courts, is secured, about the only point in the capitulation about which there will be a difference of opinion. Great Britain comes out of the war with renewed prestige, and with strength, physical and financial, unimpaired, while it must be admitted that her army officers have learned needed lessons. For Canada, the part taken in the war was a new departure; and it is possible that some reorganization of the Empire may follow, but this, if it should come will be a work of time. The question of the peace is treated in an article in another column.

For the present the corn and income taxes are to remain as needed supports of the British Exchequer. When it is possible to maintain the equilibrium of the finances without the present high rate of income tax, reduction is sure to follow. The corn duty, considered as a charge to cover registration purposes, might be permitted to remain without being exactly obnoxious to the charge of being a tax on food; a tax for protection it certainly is not intended to be. The question of mutual preference will have to be discussed and settled. Sir Wilfrid Laurier, by a remark which he made on the subject, regard the corn duties as giving a new aspect to the question of preference, on the mutuality of which he had previously refused to insist. But it does not follow that Mr. Chamberlain can be induced to favor colonial preference. That is a problem of the future, which will be dealt with at the time of the meeting of Colonial Premiers, on the occasion of the Coronation.

The reply of the British Post Office Department to the complaint of Canada that there is an unjust discrimination in postage in favor of American newspapers, books and magazines, as compared with the postage on British publications of the same kind, is that the thing complained of is the work of Canada herself, and that as the American revenue suffers by an arrangement under which the work is done at a loss, it is probable Canada would have no difficulty in getting the American Government to cancel the agreement. Besides this, the British rate cannot be reduced, in the case of Canada, without loss to the revenue, besides producing a breach in the uniformity of rates connected with the British colonial service generally.

The report comes from Liverpool that the Cunard Steamship Company has entered on the formation of a shipping combination, in connection with the Elder-Dempster and the Allan Lines. This movement is intended as a response to the Morgan merger. The men engaged in the effort to bring about this combination will doubtless attempt to secure subsidies both from Canada and Great Britain.

The opinions expressed and the resolutions passed at the Conference of the Boards of Trade are so far apart from the opinions which prevail in England that there is little prospect of their finding acceptance in that country. Some of the speakers went to the