

**A REPLETE EXCHEQUER.**

THE United States Republic is suffering just now from the most unique plethora known in the history of taxation—a superabundance of money in the treasury, and a want of constitutional means of spending it. It is of course unwise to take more money out of the pockets of the community than the needs of government demand, but the means of reducing taxation are not far to seek. To lower the customs tariff would not only defeat protection, which is a settled principle in their fiscal policy, but it would certainly increase the revenue by encouraging foreign importations. Obviously, then, the principle of protection must be pushed to its logical conclusion by raising the tariff on every article of home production till it becomes absolutely prohibitive, and thus ceases to afford any revenue at all. We are then likely to see an interesting experiment in the matter of tariffs—one of Bacon's "extreme instances," in which the principle of protection will undergo a test to which it has probably never before been submitted so thoroughly. This continent has seen many experiments in popular legislation, and many more are still in progress, but this one, which will probably soon be on trial, will rank among the highest in interest and importance. It will be very likely to disturb the balance of trade with Europe, and may lead to some startling and wholly unexpected developments.

**BRITISH DEFENCES.**

It is the custom in England to have periodically what is called a "scare." A little harmless French bombast produced one in 1859, and the result was the Volunteer movement. The German victories in 1870 and the publication of the "Battle of Dorking" produced another, and the result was seen in a radical modification of recruiting and organizing the Army. Lord Randolph Churchill is now trying very hard to produce another by proclaiming that all the British fortresses that guard the foreign dependencies are practically defenceless, and that the Navy is a mere sham. If Lord Randolph were looked upon as an unimpeachable authority, or even a candid one, his assertions would indeed produce a "scare"; but it is probable that most people will look upon him simply as a disappointed politician in search of a ladder to aid him in again reaching office. It is indeed sincerely to be hoped that his lordship is mistaken, or that he has been misinformed, for such radical defects as some of those he claims to have discovered—such as a destitution of heavy ordnance—cannot be remedied in a hurry. The want of mobilizing power in the army and neglect in victualling fortresses can be readily investigated and soon repaired.

**THE IRON DUTIES.**

THE new iron duties at first created a ripple of excitement in English commercial circles, but this seems to be subsiding if we may judge from Lord Salisbury's speech in the House of Lords last week. English merchants are already beginning to see that Canada will for some time to come go on consuming English iron, and if our own iron manufactures can be satisfactorily developed it would be foolish to suppose that we should refrain from using them. That the

C.P.R. line of steamers from Vancouver to Japan will suffer vicariously the punishment that British statesmen cannot inflict directly upon Sir Charles Tupper is hardly consistent with our preconceived notions of British statesmanship. At any rate the Pacific line is certain to be a financial success, with or without Imperial subvention, and it is equally sure that the recognition which always attends success will not be denied when success is once assured.

**THE PROSPECT IN EUROPE.**

FOR some time the general tendency of European news has been to indicate the continuance of peace. Every war cloud that passes harmlessly overhead lightens the blackness of the next threatening portent, and when war does come the bolt will probably shoot from a small cloud in a clear sky, as has often happened before. But some of the later signs are ominous to England, and point indirectly to the interests she is so anxious to protect in Eastern Europe. While Russia has one eye steadily fixed on the Balkan peninsula, the other turns its maleficent glances from east to west, and suspicion, conspiracy and trouble seem to follow its revolutions. Trouble in India seems to be Russia's lure to draw off England's attention from European affairs, and if the Holy Empire had not been so completely exhausted by the Crimean struggle, then just finished, the Sepoy mutiny of 1857 would have heralded a solution of the Eastern question completely satisfactory to Russia. But she was unable to take advantage of her best opportunity in a century, and now she is vainly trying to create one by fomenting rebellion in Afghanistan and lionizing the deposed Maharajah Dhuleep Singh at Moscow. England has little to fear from these puerile attacks. She still has her "scientific frontier" intact; but the signs of Russia's restlessness and animosity are apt to raise fears for the continuance of peace. If Germany refuses to aid Austria against Russia, and Bismarck has lately shown signs of great anxiety to conciliate the latter power, Austria will be left to battle alone for the possession of Constantinople, with only the probable assistance of England and the possible alliance of Italy. If these three nations should hold firmly together, Russia would not dare to attack Bulgaria alone, and a good understanding between them is absolutely necessary for the preservation of peace. Italy's sympathies are certainly with Austria, or rather against Russia, for she is not willing to see either power aggrandize itself in her near vicinity; but whether she will fight without Germany's assistance is at least doubtful.

**THE INTER-PROVINCIAL QUESTION.**

THE Premier of Quebec has, with great frankness, stated his views in relation to the course he means to propose for the adoption of all the Provincial Governments included in the Confederation. He says that Quebec is unable to pay her way without more liberal assistance from the Dominion treasury, and, that as more cannot reasonably be expected in the way of "better terms," it is necessary that all the Provinces should join in a demand for such a financial readjustment as would leave them all individually richer. If this demand should be supported by the weight of seven Provincial