

a little thing of 160 tons, mounting ten 9-pounders and four sixes. Her commander was R. P. Tonge, who may or may not have belonged to Halifax. All together, the five English vessels were not a match for the two Frenchmen in size of crew or weight of metal.

THE July day was drawing to its close. Evans signalled his convoy to make for the harbour, and, ranging his five ships in line ahead, with the *Charlestown* in the centre, bore down on the enemy to cover the retreat of the colliers. It was like five terriers attacking two mastiffs. The battle began about seven o'clock, and the last shot was fired about eight. Within that hour sixty-two British sailors and forty-two Frenchmen had been killed or wounded. More than half the British loss occurred in the *Charlestown*, which shows that she bore the brunt of the conflict. Gallant Evans was killed by a cannon shot some time after the action began, but the fight was kept up with the greatest coolness and bravery by his first officer, Mackay, under the direction of Captain George of the *Vulture*. The body of Evans was taken back to Halifax and buried with every military honour under historic St. Paul's, where a mural tablet still preserves his name and the memory of his last fight. All the English ships were severely handled and the *Jack* was forced to strike her flag, after losing only three men. The *Charlestown* had her mainmast shot away and was almost helpless. The French say that she surrendered, but night came on and, in the morning, the foes were far apart. The sorely battered British squadron altered course and reached Halifax in safety. The *Astree* was so damaged in her rigging that she could not pursue, and the two frigates made their way to Boston with their single prize. The French naval historians represent La Perouse as fighting against odds and gaining the victory, and a French artist, Rossel, made a picture of it; but the truth is that the battle was indecisive.

Why did the *Jack* surrender? Those were the days when fighting captains went into action with their flag nailed to the mast, so that in no event could it be lowered. The *Jack* lost only three men, which goes to show that she was not fought very long. One of them, however, was James Gormory, the helmsman. If he were struck down, it is quite possible that the *Jack*, engaged at close quarters, might drift helplessly right under the guns of the enemy and have to choose between surrender and being blown out of the water. At all events, Tonge went to Boston as a prisoner, and the *Jack* was sold as a prize in Salem. Next year she was retaken at the mouth of Halifax harbour by the *Observer*

privateer, Captain Crymes, after a desperate fight of two hours, in which the Americans lost twenty-one out of a total crew of fifty-eight men. Tonge, himself, was soon exchanged and given a new command.

This was a cutter of six guns named the *Little Jack*. Perhaps it is not fanciful to read in her christening a sailor's affection for his floating home, and likewise an allusion to the vessel he had lost. In less than three months after his first fight he left Halifax on October 6, bound for Quebec, whence the *Jack* had originally sailed. What his errand was is not known.

CUTTERS were swift sailers, like yachts in those days, and were employed in carrying despatches. From the evidence, it is possible that the cutter was transferring arms or stores. Four days after leaving Halifax, Tonge made the eastern entrance of the Gut of Canso, the strait which separates the peninsula of Nova Scotia from the island of Cape Breton. It is a narrow and picturesque passage, with sheer cliffs rising abruptly from the water's edge, almost like the mouth of the Saguenay. As Tonge was going in, he met two sail coming out—sloops or schooners—flying the "rebel" flag. At any rate, whatever their rig, they were two privateers from Marblehead, and each by herself was more heavily armed and manned than the *Little Jack*. The odds were too great for battle, so Tonge altered his course and ran for it. The entrance to the strait was barred, so the cutter fled eastward. The chase did not continue long. Either the *Little Jack* was overhauled too rapidly for hope of escape, or else her captain changed his mind and formed, as he ran, a desperate plan of fighting.

His mental processes are conjectural; what actually happened was this. Petit de Grat inlet is only twelve miles from the entrance of the Gut of Canso, and into this narrow defile Tonge ran the *Little Jack*. He may have thought he could get through, and then found that he could not; he may have fancied that the Marbleheaders would not dare to follow him into an unknown channel; but the Americans were skilful and daring sailors, and where he went, they went. So Tonge prepared to fight. The measures he took show plainly that he was determined not to haul down his flag twice in three months without the best of reasons. He anchored the cutter with a spring on her cable. This means a second rope was made fast to the anchor when it was dropped, and this "spring line" was carried to the stern of the vessel. By "heaving on the spring" the vessel could be warped round till she lay broadside on to the entrance of Petit

de Grat, and her deadly battery of three guns (probably carrying two-pound shot) could rake the inlet. In all likelihood, her position was near the present lighthouse, where the channel narrows. To attack the *Little Jack* here was like following a bear into a cave.

Tonge did another interesting and original thing, which shows both resource and resolution; he landed a gun. As this piece of ordnance was a nine-pounder, it is highly improbable that it formed part of the cutter's own armament. She could not possibly carry six nine-pounders on her tiny deck. Such a heavy gun was probably in her hold, being conveyed with its carriage, tackle and ammunition to Quebec. Now, it was sweated out of the hold and over the side into a boat and up a rocky eminence. As it could not have weighed less than half a ton, the magnitude of the task may be imagined. All the coast is bleak and bare, and near the present lighthouse the shore rises in a knob of rock about 140 feet high. From this height, Tonge could obtain a plunging fire on the defenceless decks of the enemy.

THERE could not have been much time to spare. The minutes before the fight began must have been filled full with back-breaking toil and deep-sea language; but Tonge succeeded in getting his big gun with its carriage, tackle, quoins, cartridge and shot into position on the hill, and the *Little Jack* below swung across stream into a posture of defence before the Marbleheaders came within range, poking up the inlet. Then the fight began; the *Little Jack's* two-pounder pop-guns barked and recoiled and were loaded and run out again; the big gun on the hill boomed at intervals and the Marbleheaders replied as they manœuvred. The narrow strait was filled with black powder smoke and echoed to the explosions of cannon.

How long the fight lasted is not recorded. The Marbleheaders pounded and Tonge pounded, but Tonge pounded longest. Evidently, also, luck favoured him this time, for in the end one Marbleheader limped out to sea and the other was so badly damaged that she hauled down her flag. Evidently Tonge could not have carried her by boarding; he could not spare the men. No matter how damaged, she might still have made sail like her consort and escaped to the open. What probably happened was, that manœuvring up a narrow, unknown channel she took ground, and so presented a helpless stationary target for the nine-pounder on the hill. Tonge took possession of her, paroled all his prisoners but one, to preserve as a specimen, I suppose, and proceeded with his prize in triumph to Quebec, where he was received with great eclat.

Municipal Finance

By W. H. STEWART

IF you put the financial statements of large Canadian cities side by side with the financial statements of equally large United States cities you will be struck with surprise at the big debts of the one as compared with the small debts of the other. When you cross the border you enter the arena of small civic obligations. Our neighbours would never dream of letting their councils pile up the mortgages on their cities as ours do. Toronto has a debt of fifty millions, Montreal a debt of sixty-seven millions of dollars. Montreal is looking to borrow thirteen million more this summer. Turn to Detroit, a town of many large and well-kept parks, wide, solidly paved streets, kept as clean as new paint, and what do you make out her debt to be? Only about six and a third millions. Other large American towns of 370,000 to 566,000 people have low debts, too. The average indebtedness of Buffalo, Baltimore, Cleveland, Cincinnati, Milwaukee, Newark, Pittsburg, San Francisco, is \$24,996,000.

How comes this great debt disparity? Are the rulers of our cities the more extravagant? The inequality in obligations is not owing to this. It chiefly lies in a narrower range of the improvements on loans and a wider policy of pay as you go. Our American neighbours keep close watch on the appropriations and even contest in the courts any improvements which the council has charged to loan account, but the legality of which admits of dispute. Detroit and other United States cities make their ordinary revenue finance public works that are ordinarily paid for with borrowed money in Toronto and Montreal. Many big towns in the States do not give the proprietors concerned ten or forty years to pay for their permanent sidewalks and roadways as Toronto and Montreal do, but they make the period of payment considerably shorter. Suppose that three years are allowed to

pay for these. If a city spends two million dollars a year on sidewalks and paved roadways on these terms, its debt on account of them would never go beyond six million dollars. If it gave but two years for settlement, the debt on this branch of works would never run over four millions, and if there was always a handsome surplus in the city treasury, the administration might never have to borrow any money for this work at all. This is just what Detroit is doing.

If the money market continues stringent and even grows more so as appears not improbable, let me recommend to Toronto and Montreal a study of this method of meeting the cost of improvements until conditions get better. A heavier burden would be thrown upon the shoulders of the ratepayer, but he would have the pleasure of knowing that he would get rid of his obligations all the sooner.

THUS it comes that the cities in the States do not go so deeply in debt as cities of corresponding size and importance in Canada. So their borrowing powers can be lower. They are sometimes only five or six per cent. of the assessed valuation. They are more rarely even less. Detroit has her loan line drawn at two per cent. Turn to Montreal and Toronto. Montreal had a limit of fifteen per cent. till a year ago, when her gross assessment was five hundred millions, and now has a limit of twelve per cent. The dead line of Toronto is twelve per cent. of the first hundred millions and eight per cent. thereafter.

Have these two Canadian cities a worse plan of financing their improvements? In Montreal everything that can be classed as an improvement is paid for by borrowed capital. Detroit pays for much that is commonly classed as improvements from

the ordinary revenue. The weak point in this system is that assessments, owing to a fall sometime in real estate values, may not increase for two or three years. Montreal had her improvements put almost to a standstill some years ago when the Prefontaine administration borrowed too much money for the opening of new streets and the widening of existing ones. It took her ten years to recover from this setback. On the other hand, the British investor has given much better terms for municipal than for other classes of bonds, and while the bank rate has stood at seven per cent. citizens could have their public works done on loans at four per cent. and only of late at four and a half per cent. They thus saved a considerable sum in interest in having their improvements carried out with borrowed capital. This system has helped the struggling business man and the citizen who is paying for his home.

The high debts of Canadian cities are not such a handicap as some people imagine to the floating of further loans. New York, with her low borrowing powers, has been the spoiled child of investors in municipal stock and bonds, yet her glittering securities brought a little over par and no more at four and a half per cent. a few weeks ago. At the same time Montreal sold twelve millions of her bonds and stock at par in London at this interest.

Paying for their improvements on a different system United States cities impose heavier taxes. Detroit had a net rate of 19.93 mills last year, and she will have one of 21.43 mills this year. Montreal has her tax rate fixed by the Quebec Legislature at ten mills for ordinary revenue, five mills for Protestant, and four mills for Roman Catholic schools. Contrast this with Chicago and her rate of twenty to twenty-three mills as the Park impost falls.

The fiscal year of Montreal begins on January 1.