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THE SITUATION.

A motion to authorize the municipalities of Quebec to tax personal property has been defeated in the Legislative Assembly at the instance of the Government. This does not mean that this form of property is to escape taxation, but only that the Government—not the municipalities—is to get the benefit of the tax. The heavy taxes which fall upon personalty in the cities, especially Montreal, could not be duplicated without making the burthen intolerable. The exemption of this form of property from municipal taxes will help to reconcile business men to the Government taxes; and this consideration was probably present to the minds of Ministers when they decided not to permit a duality of taxation. In Ontario there is no direct Government tax corresponding to that in Quebec, so the question of dual taxation of any form of property does not arise here; and in the present state of the provincial finances there is nothing to create the impression that a similar resort to direct taxation will soon become necessary. The estimated surplus of the province is likely to undergo some diminution through the arbitration to settle some contests with the Dominion. The urgent necessities of Quebec arise from the profligate management of her finances, in which respect she presents a marked contrast to the prudential thrift of Ontario.

Prince Edward Island has just passed through an election in which two Houses in one were elected by separate electorates. Both Houses will sit together, though one rests on a property qualification of \$350. A small province is suitable for the experiment that is to be made of two chambers in one; it may do well enough there, though the expedient is not likely to be imitated in the larger provinces. The plan is not absolutely new, though there is no other example of it in the other Cana-

dian provinces. Heretofore, the island had two separate chambers, and the question arose whether the legislative council ought to be abolished, or dealt with as it has been. The decision to unite the two bodies on a different basis of election was probably a wise one. There is a tendency in several provinces to abolish the second chamber; Ontario set out, at the birth of Confederation, with one chamber. Whether a province shall have one chamber or two is for itself to determine; though the excision of the second chamber, when put solely on the ground of expense, is very much like a man cutting off one arm that he may not have a second to nourish. Prince Edward Island has been conservative in her reform, and the result may show that she has acted wisely.

Rumor says that the basis of the negotiation for a fast line of Atlantic steamers is the willingness of the Canadian Government to increase the grant from \$500,000 to \$750,000 a year. The Napiers of Glasgow are named as the parties of the second part. A considerable time has elapsed since the question of a fast Atlantic line for Canada was raised, but the delay will be found not to have been without its uses. A fast line of steamers is a phrase which has acquired a new meaning in the last two years. Then it was not certain whether a further gain in speed was possible or not; since then a considerable gain has in fact been made. And what has been done makes it probable that further conquests in the same line can be made. If we had got a fast line two or three years ago, it would now have been out of date and would have ill responded to its name. The gain of the delay is that we shall get a better start when we do set out. The faster the vessels, the more costly they are. The old subsidy was found insufficient to tempt any company to accept it; we have found that we must increase it if we are to get what we want.

England is so completely dependent upon her navy for defence that she is obliged to be in a position to defend herself against a combination of any two powers. Russia and France made a united naval demonstration, in sight of British shores, a few weeks ago, which is likely to produce an effect the opposite of what they could desire. Immediately an agitation for an increase in the strength of the British navy was begun, with the result that the Government is likely to take measures in the direction indicated. The amount which will be asked for this purpose is not yet known, though the belief is that it will be about £10,000,000. If the Russian fleet had not visited France, the agitation for a large increase of the naval force of Great Britain might not have been started, or if it had, might not have succeeded to anything like the extent which will now be reached. If France and Russia had foreseen the effect of their naval menace, for it was nothing less, they would most likely have forbore to indulge in it. If Mr. Gladstone refuses to tell prematurely what he proposes to do to increase the power of the British fleet, it would not be safe to

conclude that, when the time comes, he will not rise to the height of the emergency.

There is a minority as well as a majority report on the tariff bill from the Committee of Ways and Means at Washington. The majority report aims to reassure those who fear that the reductions imposed will have an injurious effect on the development of manufactories, by pointing out that previous reductions, far from having caused the calamitous effects feared, were found consistent with the steady progress of the industries in question. But this does not prevent strong efforts being made in opposition to the bill. The closing of manufactories here and there is often connected with the policy of opposition to tariff reform. Already there are symptoms that the same game is to be played in Canada on the cotton manufacture. Closing down some of the mills is resorted to. One of the causes leading to this step is admitted to be founded in possible changes in the tariff. In addition to this, overproduction and the unsatisfactory state of the dry goods trade are alleged. Meanwhile, Mr. McCarthy hurls some of the weightiest of the shafts at what he designates the "cotton combine." The avowed policy of the Government is not to countenance known combines, and it may go hard with the great cotton company which owns a large number of mills in different provinces.

The Attorney-General of Jamaica is accused of taking bribes in connection with the sale of the Jamaica railway to an American company. The task of enquiring into the charge has been assigned to Chief Justice McDonald of Nova Scotia. There is nothing in the general morals of railway syndicates in the United States to negative such a charge; the truth of the particular charge must not, however, be assumed before the evidence supporting it, if such evidence there be, is produced. Great anxiety on the part of politicians to aid the schemes of foreign capitalists acquiring franchises in other countries than their own, are legitimate objects of suspicion; but specific charges of corruption should not be made without something more definite than suspicion.

An outbreak of pleuro-pneumonia on Mr. Hawley's stock farm, at Pittsford, N.Y., is announced. Of the 500 Jersey cows, no less than 70 or 80 per cent. is said to be affected. The inspector who reported on the facts has ordered extensive slaughter. The fact is likely to be cited in England as a reason why neither American nor Canadian live cattle should be admitted. We shall be asked to suffer for our neighborhood. It will be said again with additional emphasis that Canada cannot be relied on as being free from the disease when it imports cattle from the country where the pest is found on so large a scale.

The city of Quebec is treated by the Legislature of the province as the proper prey of religious and charitable institutions. Both sides of the House unite in forcing the municipality to supply water to these institutions at a specially low rate; and if