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TORONTO, FRIDAY, AUGUST 3, 1894.

THE SITUATION.

War has been declared between Japan and China over the Korean embroglio, but before this was done acts of war were committed for which each belligerent blames the other as the aggressor. Though the evidence is not complete, it points to Japan as having needlessly struck the first blow. By an extraordinary blunder, a British vessel carrying Chinese troops was sunk by the Japanese. An apology for the outrage has been volunteered, and damages must in due course follow. If there is to be intervention, the Russian press claims the first right for Russia, but this might not be accepted by the powers interested. Japan may win victories at first, but China has the greater resources and power of endurance.

Whether any tariff bill will be passed at Washington this session is still a matter of doubt. The items on which the differences between the two Houses are most pronounced are sugar, coal, and iron ore. Charges are openly made that Senators have taken bribes from the Sugar Trust, and the Senators who hold the fate of the tariff in their hands are precisely those on whom suspicion fastens most readily. If bribes have been given, the Senators who received them are not likely to give way; this is the meaning of the boast that there will be no change in the sugar question. The Sugar Trust is trying to hit back in the form of a charge that the Nova Scotia coal combine was formed on a promise of the free entrance of their product into the United States. It is obvious that no assured promise could be made, because no one was in a position to see it carried out.

An extension of the Patron of Industry organization to the cities has more the look of a political than an economical move. So long as it was confined to farmers it included only proprietors and tenants of farms. In the city of Toronto, to which Mr. Mallory has extended the operations of the order, it will be confined chiefly to men whose labor is their principal or only resource. In the country, the Patrons represent capital, employers of labor; sometimes of their own labor, sometimes that of others. Unless one rule be applied in the town and another in the country, labor and capital will henceforth be both represented in the organization. How will they settle their differences? The city Patrons have agreed to confer with the Socialists. Here they are on ticklish ground. If Socialism is to enter

the organization of the Patrons of Industry, the order will need a new programme, and if it gets one, it will henceforth enter on a new and perilous career. The average farmer is not prepared to fraternize with the Socialists. As the owner of property, he is, as a rule, as wide apart from the Socialist as any two men can be from one another.

There are men among us whose public spirit is taking the form of a call for an international convention, which is to look to the improvement of the water-way that divides Canada and the United States. International canal enlargement is their object. An international convention, without authority from the two Governments, would exhaust itself in talk; it would have no power to do anything. It is very doubtful whether it would succeed in inducing the two Governments to take the enterprise in hand. Though the open water-ways are common to both countries, the canals have to be made in the territory of one or the other of them, chiefly Canada. Could we admit the partnership of a foreign government in our canals? That is the question for us. It is very doubtful whether the United States has any constitutional authority to make an extra national expenditure of this kind, or rather it is very certain that it has not. Before anything could be done by them, an amendment of the federal constitution, always a difficult matter, would have to be made. It is easy to discourse upon international canal improvement; it needs vast courage to carry into effect a movement of the kind contemplated.

No sufficient evidence has been obtained to show that the American steamer "Louise," of Sandusky, seized at Pelee Island last week by the Canadian authorities, had been guilty of a breach of the Canadian fishing laws, and she has been released. The captain is said not to have strictly complied with our coasting and customs laws, but he had done nothing to warrant the detention of the vessel. No full report of the facts of the case had been laid before the Ottawa Government, at the time of the release, and it is said that Inspector McMichael is to make such a report, after the event. In the absence of the facts it is impossible to understand the merits of the case. Apparently, the overzeal of the local official has been at fault; and perhaps the Ottawa Government has felt that it was desirable to take a lenient view of the alleged misconduct of the "Louise." The local officials should not capture foreign vessels for any cause, unless they are quite sure of their ground; in the present instance there seems to have been room for doubt.

Strong opposition is made by the Ottawa Government to the British death duties on property in Canada, the amendment of the Chancellor of the Exchequer not being accepted as satisfactory. This fact is signalized in a telegram from Sir John Thompson to Sir Charles Tupper. Sir Charles, in a communication to the Marquis of Ripon, points out that no revenue will be obtained from these duties, because the colonies will increase their death duties so as to make them equal to the British, and in that event the British treasury will, under the new law, be entitled to nothing. But while this is likely to happen, Sir Charles points out that the question of the right of the Imperial Parliament to tax property in the colonies is likely to be raised, and if so it would take a serious form. If the colonies had been in an irritable mood at the time the proposal was made, the question would at once have come up. Under the Confederation Act it would be difficult to maintain the right of Great Britain to levy duties on property in Canada; and it so happens that death duties had become a resource of which several provinces had availed themselves.