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THE SITUATION.

In his speech in favor of retaliation in kind against the United States, Germany and other countries whose tariffs are so high as to restrict our exports to them far below the imports from them, Mr. Charlton spoke mainly from a protectionist point of view. At the same time he succeeded in giving protection a new and worthier meaning than it generally implies. His point of view is that Canada's export trade is greatly decreased by the high tariff of the United States; and that this is a national injury against which we should be justified in protecting ourselves. The speaker who followed him took the ground that our large purchases from the United States are prompted by our interests. In a sense this is true; but we are still entitled to complain of the unfairness of the American tariff. As we read Mr. Charlton, he would be satisfied if we got reciprocity in raw produce. This supposed remedy would, we fear, prove to be a delusion in practice. Raw produce, with some few exceptions, the Americans do not want, having a great superabundance of their own. The chief exception is timber; and in this they get no advantage over us. If coals were sent to Newcastle, they would have to be sent away again. If wheat were sent from Canada to the United States, free of duty, it would not find a consumer's market there; but would have to be exported to some other country. The same is true of all other articles of raw produce which the Republic produces in excess of its own wants. It is true that, under the old Reciprocity treaty, Canada benefited greatly; but then the whole energies of the Republic were being expended in civil war. The change of circumstances alters the case fundamentally. Reciprocity in raw produce would now probably be more to the advantage of the United States than of Canada, as it would be a great lever in enabling her to handle a large part of the surplus raw produce of Canada, and thus to secure to herself so much more of the carrying trade of Canada than now falls to her share. It is to

be borne in mind that half of Canada's imports from the United States, besides coal, are raw materials for our manufactures, e.g., hides, rubber, wool, cotton, tobacco, corn, lumber. Mr. Charlton's plan is simple enough: to enact in Canada the American tariff, and make corresponding rebates to each country that admits our goods at lower rates. Germany, France, Holland and Spain would all feel our reciprocal retaliation. Mr. Charlton has shown us the weapons of self-defence which are within our reach; but that it would be wise for us to use them, in their full force, he will have to supply many more arguments before he can hope to produce general conviction. At the same time, he deserves our thanks for pointing out so forcibly the inequality of the conditions on which we are dealing with many other countries. Things cannot go on forever on their present footing.

The Toronto city council after losing some time on the question of procedure in the matter of making a proposal to purchase the gas works, has at length straightened out the tangle and got ready for work. And while it has been occupied with a question of procedure there comes from Berlin, Germany, the announcement that Dr. Carl Lietz, a chemist, has discovered a way of making water combustible, like oil. If this invention be all that is claimed for it, the effect may be, and almost certainly will be, a revolution in illumination, and perhaps in heating also. The effect on the manufacture of gas may be very great. Some water is burnt now, in the making of gas, and it is no new discovery that the whole of it can be burnt; but the burning it by mixture with something else is entirely new. No one can at present tell on what terms the patent can be got. It is probable that all large cities will in the end make their own illumination; though some of them, in Europe, contrive to do well on the contract system. Paris, for example, in this way, gets that portion of its gas required for public uses, at the smallest fraction over cost price; the gas company pays the city 200,000 francs a year for the right to lay its pipes under the side-walks; within ten years the gas company paid the city 200,000,000 francs or \$40,000,000. This is done under contract; the money is regularly paid, there are no disputes. And yet, the belief gains ground that the day will come when the city of Paris will make its own gas. How is it that we, in Toronto, cannot get on with the gas company, and that the stipulations of its charter are constant subjects of dispute? In Stuttgart the sale of gas is a municipal monopoly, and the example is followed in other places. In the United States municipal government is at a low ebb; everybody instead of trying to improve and perfect it thinks only of the plunder he can get out of it. In Toronto, under present conditions, the municipal gas movement is neither so scientific nor economic as we should like to see it.

The prohibitionists who assembled in the Toronto pavilion, on Tuesday, passed resolutions which directly conflict with the advice of other prohibitionists on which the Government appears to have acted in drafting the provision of the Referendum measure. The conditions of the referendum were fiercely assailed at this meeting. The time for voting was wrong; the refer-