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THE SITUATION.

Improved means of communication is the order of the day. On the 17th of this month, Cape Breton will have the benefit of railway communication, by the opening for traffic of a branch of the Intercolonial. While the Dominion has been making railway connection with the Pacific Ocean, Eastern Canada has not been neglected, the Maritime Provinces having had the benefit of a large expenditure on railways. Nova Scotia, which the Strait of Canso cuts into two, is henceforth to be united by rail. The new road will be of great local importance, and will aid in the development of the resources of the Island. Both Nova Scotia and New Brunswick are to have more frequent communication with Great Britain. To the two steamers of the Funnell line plying between Halifax, St. John and London, a third is to be added, giving this line one vessel every sixteen days. The addition will be useful in the conveyance of perishable produce, such as apples and eggs. The contract for a new steel steamer to be employed in government service in British Columbia waters has been let. She is to be fitted with quadruple engines, to be able to make eleven knots an hour, and is to be ready for service on the 6th June next, when she will start for Victoria via Cape Horn. She is expected to reach her destination in about eighty days. As this steamer is to draw only ten feet of water, she will not be able to carry more than 300 tons of coal, and may have to take in coal at Montevideo and Valparaiso.

Tariff commissions are in vogue in many countries at present. In France, Spain, Germany and Russia they have been resorted to. As these commissions would take evidence on both sides, they are preferable in form to the practice at Ottawa of hearing only one side, and that the side personally interested in the result which individuals or deputations, representing special interests, desire to bring about. But it cannot be said that the commissions give a better result. Everywhere they are acting as accoucheurs of higher tariffs. In Spain it is proposed to put heavy duties on

coal, iron and copper ore, raw materials which it seems folly to tax. But the rage for higher duties is in fashion, and the fashion must have its day.

It is now apparently a matter of certainty that Germany and Austria will not agree to take joint reprisals against the United States on account of the McKinley tariff. The German Commission on the tariff has closed its labors, and it is reported to oppose retaliation against the United States. No extensive tariff changes are recommended. The Austrian press sees in the new French tariff a special blow aimed at the export trade of Austria. On wood, sheep, corn, flour, fresh and salt beef, and beer, in many of which articles Canada is interested, the duty is almost prohibitive. Austria sees in this feature of the French tariff an attempt to frustrate the forming of closer trade relations between Austria and Germany, the logic of which does not appear conclusive. On the other hand, there are people in Germany, among them Count Sterum, who believe that closer trade relations between the two countries would be at the expense of the political alliance, a mode of reasoning very difficult to appreciate. One result of tariff negotiations between these two countries is reported to be the reduction to three marks of the duties on rye and wheat imported from countries which have commercial treaties with either of them, containing the most-favored-nation clause. Cereals from the United States will get the benefit of the reduction, while those from Russia will not.

For some time past, a desire in France has been manifested to have a new tariff control the conditions of future commercial conventions; and apparently the bill before the Chamber of Deputies has this object in view. This measure, like its predecessor, contains a minimum and a maximum tariff, but the conditions of their application are varied. Reduction of existing duties in the foreign nation must be a condition of a new convention with France. No change in this respect can be made so long as existing conventions exist; but there is a provision in them that a treaty denounced before the 1st February, 1891, can be terminated in Feb'y, 1892. If we understand the new tariff aright, the most-favored-nation clause cannot be inserted in a treaty with any country that does not grant considerable reductions in existing duties. The existing treaties will no doubt be allowed to expire in 1892. Whether the privileges of the minimum tariff are to be granted for a fixed period or left indefinite, the Government reserves the right to determine. Among the views that have been expressed on this point, is this: that the new conventions should be unlimited in form, with the mutual right of denunciation or revision every year. The Government hesitates to decide the duration of new conventions, and it is easy to see that any decision now given, if not in accordance with the views of a nation with which it is desirable to form a commercial convention, might prove to be an obstacle in the way, when the time for action came.

Anxious to ascertain the extent of its timber resources on the Ottawa and its tributaries, the Quebec Government sent a forest ranger there to use his eyes, and report what he saw. Mr. Charleston comes back expressing the opinion that there is enough timber there to make logs worth a million dollars. The extent of forest wealth is not easy to gauge, and governments as proprietors naturally incline to believe that it is large. All forests are in danger from fire, and what exists to-day may disappear to-morrow. Just now the Quebec Government is in want of a new loan, and it will welcome any intelligence that adds to its latent assets.

Mr. Foster, Minister of Finance, is to visit the West Indies and British Guiana with a view of seeing what can be done to increase our trade with these countries. He will start next week, and probably be away six or seven weeks. The recent increase of our trade with the West Indies is very encouraging, and it may be that it is capable of still greater development within a short time. Reciprocity arrangements between the United States and Cuba or any other foreign sugar-producing country, would decrease the trade of the British West Indies with the Republic, and make them desirous of obtaining a market elsewhere for their produce.

Nothing could be more opportune than the visit of the representatives of the British iron and steel interest at this juncture. They come at a time when great mineral discoveries have been made in Canada, and the work of development, just begun, opens a large field for enterprise. During the week they have gained additional information. One of the party has already acquired an interest in Canadian minerals, and he expresses the opinion that British capital to work the mines will not be wanting when their value becomes known. And the word of these men will go far to spread the necessary light. Of the richness of the nickel deposits they make no doubt. The conjecture that nickel will come largely into demand as an alloy with steel for the armor plating of vessels has not yet taken the form of certainty. France is reported to have made some experiments, and now the American Government is about to follow. Experts say that several months must elapse before necessary tests can be completed. Till then the Washington demand for nickel for this purpose will be in suspense. In any event, the nickel will be valuable, though the price would be enhanced if a general demand should spring up for this metal in connection with armor-plated vessels.

Mr. Mudie, the English founder of a colossal lending library, is dead, but his great creation survives him. A hundred thousand persons in England are willing to pay for the privilege of reading the books they borrow. It is better, where this can be done, than that the circulating library should be free. Books for the use of which borrowers pay are more valued than those got for nothing, and the personal independence of the reader is preserved.