

granting a million dollars to two men without competition due? And what is the part reserved, in this scheme, for the Government and Legislature of Canada? During the debate in the British Columbia Legislature, a telegram from Sir Wilfrid Laurier was read to the effect that his Government does not intend to do anything farther in the matter of the Lake Teslin Railway. Senator Mills, questioned on the subject of this communication, was not aware that it had been sent.

If mere preparation for war has cost the United States at the rate of \$300,000,000 a year, actual war would probably, if long continued, cost twice that sum. The question of new war taxes becomes urgent. Beer, whiskey, and other excisable articles are marked for part of the burthen, and on these there will be no difficulty in putting an additional tax. But the proposed bond issue meets the opposition of the Democrats. The suggestion made by them that the whole burthen of the extra revenue required ought to take the shape of excise duties, and not the creation of debt, would, if acted upon, make the full weight of the war felt financially at once. As a matter of policy, if the public were willing to make the sacrifice, this course would be the reverse of imprudent. The Republicans are willing that bonds payable in "coin" should be issued, if that will remove the objection of the Democrats. This willingness not to insist on gold payment of the bonds is a concession that may bring no practical result, but it will not be without its use to the Silverites. The want of the resource which an income tax affords may be severely felt. In the Civil War, the income tax reached a high figure; in England in 1807 it reached as high as 10 per cent. Now the United States cannot raise the smallest income tax.

It would be hard to express in words a stronger condemnation of the capture of Spanish merchant ships, at the opening of the war, than that implied by the proclamation of President McKinley, which accords to Spanish vessels in the waters of the United States opportunity until the 21st of May to load and depart, with full liberty to continue their voyage, and which also secures immunity to Spanish vessels which started from Spain for the United States before the 21st of April. This is in accordance with modern usage, as observed by both sides, in the Crimean War, when six weeks grace were given, Russia deciding that the six weeks should not begin in the White Sea till after the breaking up of the ice. In the Franco-Prussian war similar conduct on both sides was observed; likewise by Russia and Turkey in 1877. And now, in the Spanish royal decree, April 24, thirty days are allowed for American ships to leave Spanish ports. To do them justice, the American people are not proud of the captures of Spanish merchant vessels, without notice, or opportunity to get to a place of safety, at the very outset of the war and before the declaration of war was issued. Most of these prizes will probably be released by the American Prize Courts. At the same time, it may be true that a state of war has existed since the 21st inst.

At the end of the year 1897, the debt of Cuba was \$522,020,200, and the capacity of the island to raise revenue is limited to \$35,000,000 or \$40,000,000 a year. The debt appears to have been chiefly created in the last twenty years, the total debt in 1868 having been

only \$20,000,000. Since 1866, the increase of the debt has been abnormal and ought to have created alarm. Recently the question has been raised in Cuba, by whom ought this debt to be paid? Senor Moret expressed the opinion that Spain ought to pay part of it; some Spaniards thought that Spain, in whose cause the debt had been contracted, ought to pay the whole. What will happen, if, as is probable, Spain, by the fortune of war, should lose the island? Who will then pay the debt? Or will it be repudiated? In 1863, the Spanish Minister, de Ultramar, decided that the debt of Cuba ought to be diminished, and in that year, by him, a reduction of \$7,386,466 was made. Every year since 1873 has seen a deficit. The American Government, under Polk, offered \$100,000,000 for the island, and \$120,000,000 was the limit which he was willing to give. Spain refused to sell then, as she would now. Persons who have recently raised the question of a purchase, as the alternative of war, have not named a higher sum than \$200,000,000, not much more than one-third the amount of the debt. If Spain be ousted from the island, she may be unable to pay the debt; and the question is whether its new masters will be willing or able to pay. It is a poor look out for Cuban creditors.

FINANCIAL REVIEW.

The Bank Statement up to the end of last month, which we printed in full last week, indicates a considerable revival of active business, from the fact that the loans and discounts have increased nearly \$7,000,000. This is not a large increase, and cannot be taken as ground for supposing that we are on the eve of a greater wave of prosperity than is actually apparent. At a time like the present, when there is a good deal of elasticity, so to speak, in the spirits of men, and the business community in regard to business prospects, it is prudent for men of capital and responsibility to rather exercise caution than otherwise.

Sudden increases of business and accessions of prosperity seldom last, and are apt to be followed by a considerable reaction. The present increase then can be taken for what it really indicates, viz.: a moderate and steady growth in various lines of business enterprise, all which would go to show that it is more likely to continue to increase than otherwise.

The developments in the Klondyke region no doubt have had something to do with the increase of business, in fact necessarily so, for the amount of supplies sent into that country must have called for a large expenditure of money in their preparation, and consequently an increase in loans and bills discounted to a certain extent.

But here again a note of caution seems most desirable, for it is becoming evident that the extravagant estimates of what the Klondyke gold region has produced have been largely falsified by the event. Still, there can be no doubt that a large amount of business will result from the development of this surface mining to begin with, and a foundation will be laid for permanent industries in the future; so that a considerable population may be expected to flow in and remain. The check to increase will arise from the fact that the district is so uncomfortable to live in that no one will be likely to reside permanently there if they can possibly get away.

The question will be, then, whether such immigrants will not be likely to return to the more comfortable and pleasant parts of the North-West and make homes in the Edmonton and Peace River districts, if not in regions further to the north. This will be, of course, for the