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THE SITUATION.

Unless it receives the signature of the President, or is by him allowed to take effect without his veto, the Senate bill—dealt with at length in a separate article—containing the objectionable conditions regarding the privilege of Canadians to pass goods in bond at Port Wrangel will not become law. That it will become law there is little reason to fear. The United States has a right to make regulations for the navigation by Canada of the part of the Stikine which runs within American territory, and such regulations usually fall to be made by the Secretary of the Treasury. In this respect, the usual course is being followed. On the recommendation of the Secretary of the Treasury, a bill has been brought into Congress conferring on him the necessary authority to make regulations for this purpose. By the Treaty of Washington such regulations are not to be inconsistent with our right of free navigation. In this spirit we may expect the regulations to be framed; and if this be done Canada will have no ground of complaint.

At Ottawa the debate on the Klondyke railway contract still goes on in the House. The Opposition amendment, which looks to the rejection of the contract, while advocating other means of communication with the Klondyke, in spite of some individual revolts in the Liberal ranks, is not likely to carry. As has been evident from the first, the fate of the provisional contract depends upon the Senate. One of the difficulties of the situation is that the Government cannot consider any other offer to build the road until this is disposed of. The Senate, which is not so restricted, may take steps to ascertain whether Mr. Hamilton Smith's offer is one that can be relied upon, and frame its policy on the ascertained facts.

A sinister omen is the appearance in the ante-chambers of the Federal Government of a noted speculator, backed by a show of respectable clerical aid, whose mission is to saddle on the country the load of the untoward speculations of certain colonizing companies. These companies grabbed at the public lands, often under pretences fairer than their real objects; and having failed in their speculation they want the Government to buy back the lands they clutched. If

there are any back payments to be made, the utmost which the Government could, in fairness do, would be to take back at the original price as much land as would complete the payment for what was retained by the companies.

Spain and the United States are both preparing for war as fast as they can. Spain is purchasing war vessels, and the United States Congress has unanimously voted \$50,000,000 for defence. If war should come it will scarcely be because either country desires it, but will more likely be the effect of a punctilium, in which one or the other will be under the conviction that its honor is engaged to strike a blow. Of a war between these two countries there could only be one end: the numbers and wealth of the Republic must, in the long run, prevail; but victory might be purchased at a heavy cost. In the beginning Spain might, and probably would, get some advantages, but they would in the end be dearly paid for.

After bringing 206 reindeer from Siberia, to be used in the Klondyke Relief Expedition, Secretary Alger, of the United States War Department, with whom it originated, has definitely abandoned the undertaking. This conclusion may be taken as a tacit admission that later information shows that the danger of starvation, once great according to former estimates, no longer exists. Many miners, menaced with starvation, left the territory; exaggeration counted for much; the fact that no fervent appeals for aid assailed the United States Government must have had its effect in forecasting the state of things in the Klondyke, before new supplies, in quantity, can be got in. The fiasco is notable; but excess of precaution is better than neglect, in the face of danger from possible starvation.

A Washington correspondent of the *New York Times* says that different constructions are put upon the Treaty of St. Petersburg, 1825, by Great Britain and the United States. This treaty defines the boundary between Alaska and Canada. One part of the boundary is formed by "the summit level of the mountains which extend in a direction parallel to the coast from the 56th degree of north latitude to the point of intersection of the 141st degree of west longitude," whenever it is not more than ten leagues from the ocean, and whenever it is more, the distance from the ocean is ten leagues. The British contention is that the ocean or open sea is outside of the numerous islands which fringe the main shore, while the Americans contend that salt water, wherever found, constitutes the ocean. The British interpretation places the head of the Lynn Canal, Dyea and Skaguay in British territory, while the American makes the summit of the White Pass ten miles within the United States. In the St. Lawrence River salt water goes up to Three Rivers; but the United States agreed with our Government, for the purposes of the Reciprocity Treaty, that the Gulf of St. Lawrence, as part of the ocean, is hundreds of miles away east.

On the question of accommodation in the Toronto Railway Company's cars, it is not unlikely that both the company and some individuals who have refused to pay fares, because they did not get seats, have put themselves in [the wrong]. The city's engineer, exercising authority vested in him, made a regulation that, on full cars, half as many passengers as there are seats for may be allowed to stand. If this regulation was valid, as presumably it was, only two-thirds of the passengers were entitled to seats, so long as it remained in force. One regulation made by the engineer could be superseded by another, if done in proper form. It was scarcely reasonable that one-third of the passengers on full cars should not be entitled to seats; and