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THE SITUATION.

One good effect of the Spanish-American war comes, at the onset of the conflict, in the adhesion of the United States to the Paris Declaration against privateering. Singularly enough, the first public announcement of the fact appears to have been made by Mr. Balfour in the British House of Commons. In this war, it was clearly the interest of the United States to discountenance privateering, if Spain could thereby be induced or compelled to renounce the privilege open to her, and which, as having less commerce afloat, means more to her than to the United States. But Spain has elected to take the other course. At the same time she accepts so much of the Declaration of Paris as is implied by neutral flags protecting the enemy's commerce, with the exception of articles which the law of nations classes as contraband of war; and also that neutral merchandise, except contraband of war, is not liable to seizure, on enemy's vessels. Where every sea shall swarm with Spanish cruisers, the United States is likely to come under a strong temptation to offset the seizures made by Spain by issuing letters of marque and reprisal. Congress has shown a disposition to be critical on this point, and there is no saying what it may force the President to do, at some stage of the war.

United States commerce can be made safe, on the ocean, only by transferring her commercial vessels to foreign register. Last year, a little over \$30,000,000 of American commerce was carried across the Atlantic, in American bottoms. This was only about 11 per cent. of her total commerce, on that sea. Unless the American commercial marine disappears, in the way indicated, or is protected by adequate convoys, this \$30,000,000 is the prize open to Spanish cruisers. Spain carried in her own ships about \$21,000,000 of commerce; her whole sea-borne commerce was only \$49,000,000, and more than half of it, without any change of ships register, would be protected by a neutral flag. The relative strength of the Republic is greatest in the Pacific ocean, where Spain will probably not be able to commit extensive depredations upon it. Privateering

can no longer be carried on in sailing vessels, and if Spanish cruisers could not be insured a supply of coal, in the Pacific, American vessels would be safe there.

Neutrals will, under the actual conditions, be liable to search only for contraband of war, not for enemies' goods. But it may happen that vessels which have nothing contraband on board, will sometimes have to undergo questioning, and if the answer be dubious actual search conducted after a prescribed form. More or less friction is sure to arise from this practice, and the tendency of neutrals is always to desire that it should be put an end to. But ordinary legitimate commerce ought not to be seriously impeded by the belligerents exercising the right of search. There may be some compensations. A large number of American vessels are sure to be transferred to foreign registrars. Questions may arise about the *bona fides* of the transaction; it would have to be in a legal form. In this way, the trans-Atlantic commercial marine of the United States can continue to be utilized. It is difficult to see how the war will create any great demand for foreign vessels. Is the total of American and Canadian commerce likely to be increased by the war? The nationality of the flag may change; the capacity of the commercial marine of the United States will be lessened by a transfer of a part of it from commerce to an ancillary position, in the war. In this way a hiatus will be made which foreign vessels may fill. How will the war affect the sum of the foreign commerce of the Republic? It will scarcely increase, and may diminish that commerce considerably. If this should happen, the American vessels diverted from peaceful pursuits to war will not create a demand equal to their tonnage for the aid of foreign vessels.

One million dollars has been voted by the British Columbia Legislature, as a subsidy to Messrs. Mackenzie and Mann, to aid them in building a railway from a British Columbia port to Lake Teslin. The distinct feature of this project is that it takes a British Columbia port as the starting point, and thus looks to the securing of an all-Canadian route. The scheme rejected at Ottawa began at a point beyond the American frontier, and could only have been made an all-Canadian route by a subsequent extension to a British Columbia port, which was held out as a future possible undertaking; but the only provision made respecting it was that, if ever built, it must be built by Mackenzie & Mann. In voting \$1,000,000 in aid of the extended enterprise, the British Columbia Legislature showed its willingness to grant a specified sum for a specific purpose. But the method cannot be commended or justified on prudential grounds. If an individual made up his mind to advance a million towards a particular enterprise, with the view of obtaining indirect benefits therefrom, he would not throw the money at the first comer and tell him to go ahead; he would want to know whether the proposal of the first comer was the most advantageous that could be procured, and would make arrangements with others, if concerted action were necessary, to apply the test of competition. As in the original contract with Mackenzie & Mann competition was excluded, the same exclusion is here repeated. Excuses may be found for the exceptional mode of dealing, but justification of her erratic departure would seem to be an impossible task. To what occult influence is the extraordinary feat of