

to the "logic of facts." The facts are these, when Cuba and the Philippines, and other Spanish Colonies are wrested from Spain, they will need to be governed. If left to themselves, a state of terrible political chaos will arise that would probably involve years of continuous internecine strife. Europe would not tolerate such conditions, they would be abhorrent to civilisation, and destructive to commerce. America having ousted Spain would be bound to give those islands the protection of stable government. Thus the securing possession of Cuba and the Philippines would not be "greed," but a moral necessity until the very remote period when their semi-savage, illiterate and hitherto enslaved populations became fit for self-government. This aspect is, however, not being dwelt upon by the American press, or thought of by the people. The prevalent feeling is thus expressed by one of the foremost journals in the States: "The war has come and we believe the nation owes it to itself to secure some substantial results from it. We must make the new policy, relating to Cuba and the Philippines, minister to our commercial prosperity. Our commercial development and international jealousies will compel the retention by the States of the Philippines." With startling frankness one of the great journals of New York declares: "any person has been extremely innocent if he has been deceived at any moment by the idea that the United States were actuated in making war with Spain, *exclusively or mainly by regard for the Cubans.*" This idea is pronounced untenable as, "there was from the beginning a clearly marked determination by the States to assume the aggressive in the world's affairs, and to enlarge the sphere of their commercial activities, and the expansion of their domain." The plea then of the war with Spain having been wholly inspired by motives of humanity is being scouted as having no justification in facts. Just as Cortés entered Mexico to civilize and christianize the people, but ended by conquering the country for Spain, to add to its "commercial activities" and "domain," so it is now being declared that the colonies of Spain are being seized, not, as was first proclaimed to relieve the people from cruelties, but to enlarge the territories and promote the development of American commerce. This movement promises to be one of the great revolutions of history. The more its probabilities and possibilities are studied the more far reaching in their influence on international relations do they appear. One effect will be to make the Monroe doctrine obsolete. Another will be to make the voice and the interests of the United States an influential factor in the foreign policy and politics of Europe. A further one will be the necessity of the States maintaining a navy and army proportionate to those of the great powers of the old world. And the one of supreme importance to us will be the necessity of the States abandoning their isolation by forming some alliance more or less formal with another power. As such alliance can hardly fail to be

with Great Britain, the initial steps for which have already been taken, and which both peoples have enthusiastically approved, we, in Canada, have good reason to look hopefully upon the development of the United States into a new Empire.

#### THE MAY BANK STATEMENT.

So much has appeared in the financial and daily papers within the last week, relating to our Banks, their resources, standing, earnings, etc., for the past year, that it would seem superfluous to devote much space to the general statements; but as the reviews have been of individual banks, a few comparisons of figures may not prove uninteresting, collectively. That the close of past banking year has been an improvement on the beginning is obvious. Not in the banking business alone is this noticeable but in every branch of trade, and the general movement has had its equal effect for general good. Each bank reporting seems pleased with its transactions of the past year; but that they have been successful does not seem to induce them to drop for a moment the caution previously practiced. The success attending the present year is taken advantage of to cut off the dry and non productive branches, and place operations upon solid rock bottom. Revaluing bank premises; pruning bad and doubtful debts which are certain to accumulate to a greater or lesser degree; and generally laying a solid foundation upon which to build if the good times anticipated are up to expectation; such precautions are certain to be attended with success. The continued development of the important items in the statements are now becoming such a certainty, that it would be a great source of disappointment to be compelled to report them otherwise. The addition made to capital paid up since last year is \$359,126, and to Reserve funds, \$534,867. That not withstanding the merchants Bank has seen fit to reduce its Reserve fund \$400,000. Bank notes in circulation although, in a majority of cases at their lowest in May, show an increase over April of \$418,109, and nearly 4 1-2 millions more than in May, 1897. In May, 1897, the increase over April was \$1,005,522, but matters then had not become settled regarding tariff and other changes, and other disturbing influences which this year do not prevail. Deposits of the people is another important factor. This month, we find the increase about 5 1-4 millions with a record for the year of \$23,680,000. Can the prospective reduction to 2 1-2 per cent. in the Government and Post Office Savings' Banks have had its influence? The total liabilities, 1897, were, \$246,133,727, being \$18,837,783 over the amount in 1896. In May, 1898, they were \$274,628,668 being \$28,494,941 over May, 1897.

Specie and Dominion Notes show an ordinary increase during the year, not so great as shown 1897, over 1896. Amount due from American Banks and Agencies also show a greater increase the last than the preceding year; but the amount of increase under