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TORONTO, FRIDAY, MARCH 14, 1902.

THE SITUATION.

One of the most serious incidents of the Boer war, occurred, a week ago, when the British General, Lord Methuen, was seriously wounded in the thigh and captured, three officers and thirty-eight men were killed, and five officers and seventy-two men were wounded. The British also lost four guns, and 200 men are missing. The news created a profound impression in England, but instead of damping the spirit of the nation, it spurs the Government to renewed efforts, the determination having been taken to send Lord Kitchener 6,000 additional yeomanry. The incident was noticed in the Prussian Diet by the Foreign Secretary, who deprecated the ungenerous German criticism of the British nation, in connection with this war.

Speculation is busy over the subjects that will come under discussion between Mr. Chamberlain and the Colonial Premiers, when they meet in June; and there is some disposition to assume that a material alteration of the British fiscal system may follow. Those who contend that the British system of free trade is a failure make the statement in direct opposition to the facts. Lord Avebury recently pointed out that, in every decade from the year 1860 to 1890, the value of British exports and imports increased by ten millions of dollars. In the last decade this ratio was not kept up; but there was an increase of five millions of dollars over the preceding decade. In 40 years, the value increased from £1,890,000,000 to £4,383,000,000. The weight of the goods dealt in has about doubled in twenty years. In June, Mr. Chamberlain will discuss trade questions with the colonial premiers. If the question of colonial preference should come up, as some conjecture, the colonies are sure to be reminded that the greater portion of British trade is with foreign nations, and that to discriminate against them would probably produce retaliation. That England will, in the broad sense of the term, ever return to protection, is the dream of those who desire to see such a change; but it has little chance of being translated into fact. Free trade within the empire would mean that manufactures as well as raw produce should be reciprocally free from duty between the colonies and the metropolitan state; and when Mr. Chamberlain mentioned it as the only condition on which alone there could be mutual preference between them, he must have known that the colonies would not accept it. He would not, we imagine, seriously propose such an arrangement; and he only named it before in reply to the demand for British preference to the colonies. It is possible that, on some points, an understanding may be come to between the British Government and the representatives of the colonies, when they meet in London, on the occasion of King Edward's coronation.

A suit has been begun, under the direct authority of the United States Department of Justice, to challenge the merger of the Great Northern and the Northern Pacific Railways, as a conspiracy in constraint of trade. The opinion gains currency that the suit is the personal act of President Roosevelt, done without previously obtaining the opinion of the Cabinet as to its advisability. The legality of the charter of the Northern Securities Company is in question. Its defenders say that the charter was drafted by the best legal talent available, and they profess to believe that it will stand fire. The contention of the other side is that the merger of the two roads is in direct contravention of the Sherman anti-Trust Act. President Roosevelt gets credit for acting from political motives, in the belief that this is the best way of securing the votes of the northwest, when he becomes a candidate for the Presidency, at the close of the current term. The C.P.R. is supposed to have used its influence against the merger, and also to be in some sort responsible for the proposed formation of the Northern Securities Company of Canada; but no direct evidence of the supposed fact has been adduced. That the Northern Securities Company, which has a New Jersey charter, is in this way seeking to duplicate itself is denied by those in a position to know. The Northern Securities Company of Canada is to have a capital of $1,000,000. Some of the defenders of the United States Northern Securities Company, which holds all the stock of the Northern Pacific Railway, contend that if the Washington Government succeeds in its suit, the Steel Trust will not be free from danger; or, for that matter, any of the large industrial corporations formed during the last few years, would be similarly open to attack.

When the Municipal Corporation of Toronto asked from the Legislature authority to acquire and distribute to other towns and cities. on the route, power from the Falls of Niagara, it asked to be permitted to engage in something beyond its own limits, and to do work which could better be done in some other way. If it had asked the right to obtain power for its own use, or even for the use of individuals in the city, there would have been reason in the demand. Electric power, obtained from great water falls, is something limited in extent; and its fair distribution may well claim more consideration at the hands of the Legislature than it has obtained. It is properly the subject of a monopoly,