ESTABLISHED 1866

THE MONETARY TIMES, TRADE REVIEW

And Insurance Chronicle,

With which has been incorporated the INTERCOLONIAL JOURNAL OF COMMERCE, of Montreal (in 1869), the TRADE REVIEW, of the same city (in 1870), and the TORONTO JOURNAL OF COMMERCE.

Issued every Friday morning.

SUBSCRIPTION—POST PAID:

CANADIAN SUBSCRIBERS	$2.00 Per Year.
BRITISH "	10s. 6d. Sterling Per Year
AMERICAN "	$2.00 United States Currency
SINGLE COPIES	10 Cents.

Book and Job Printing a Specialty.

PUBLISHED BY THE

MONETARY TIMES PRINTING COMPANY OF CANADA, Limited

EDW. TROUT, President. ALFRED W. LAW, Sec'y-Treas.

Office: 62 Church St., cor. Court

TELEPHONES { BUSINESS AND EDITORIAL OFFICES, 1892 / PRINTING DEPARTMENT, 1485

TORONTO, FRIDAY, APRIL 1, 1898.

THE SITUATION.

A Senate majority of 38 puts an end to the Mackenzie-Mann Yukon Railway contract. The friends of each House censure the course taken by the other; and each side claims that public opinion is with it and against the other. But the mutual recrimination will settle nothing, and will not clear the political atmosphere of the doubts that exist. There is one way in which the true set of public opinion can be ascertained, with as much certainty as if resort were had to a Napoleonic plebiscite or the Swiss referendum. An appeal to the people, through a general election, which the Government would be privileged to make, would settle the question, and it is doubtful if anything else could. But is it necessary to obtain this information at such a cost, as that which the delay would involve. The Stikine-Teslin route has not been condemned by the vote of the Senate; the probability is that a large majority of that Chamber favor it. What they objected to was what presented itself to them as an improvident contract. The reasons for urgency which existed at the first survive the vote of the Senate. The responsibility of the Senate for the course it has taken does not relieve the Government of the duty of providing an alternative method for the purpose of solving the transportation question. It is now plain that the Senate must be reckoned with; and as menaces directed against it would bring no remedy, the best, if not the only way would seem to be to obtain its confidence. The Senate would scarcely oppose a plan which should put the contract for building the road to the test of competition: the usual, as well as the legal course.

While the United States and Spain may both desire peace, they are running a hot race in preparation for war. The American naval enquiry into the destruction of the "Maine" in the harbor of Havana, reported that the blow came from the outside, but failed to fix the responsibility for striking it. Spain, on its part, does not accept the theory of an external explosion. No reclamation is being made by the Government of Washington upon that of Madrid for the "Maine" catastrophe. President McKinley, who has acted with admirable reserve, up to this point, proposes a plan of practical intervention in the form of relief to the starving Cubans. Spain is said not to wholly negative the proposal, but to make the condition that relief be kept distinct from the naval vessels of the Republic. It would be easy to give relief in such a way as to constitute a *casus belli*. In the multitude of rumors, to which every hour makes additions, it is difficult to know what to believe; but everything points to the probability that Spain has been, or soon will be, required to cause the strife in Cuba to cease. The problem seems to be on what condition Spain is willing to acknowledge the independence of Cuba; whether she would be willing to cry quits on receiving a money compensation, which has been put at $200,000,000. If such an offer could be made good by Cuba, either through an American guarantee or otherwise, it would seem to outsiders as if Spain would get well out of her present difficulty by accepting. She cannot conquer the Cubans; and if war with the United States should intervene, she is bound to lose in the end, not only Cuba, but the indemnity, which she might now get for permitting the island to take upon itself the entire responsibility of its own government. Having the most powerful navy in the world, with the exception of that of England, Spain could inflict great injury on the United States in the earlier stages of the contest. Peace is the interest not only of the two nations but of humanity at large.

Whatever may be the merits of the projected railway to connect Washington territory with British Columbia at Kettle Creek, a clear distinction exists between it and the road projected over the White Pass. At the latter point possible obstructions, in the form of customs regulations, might be made by the Government of Washington, but this is not to be apprehended at Kettle Creek. The reason that determines Canadians to seek a route to the Yukon through their own country has no application to Kettle Creek. A Kettle Creek valley road, it is objected, might take trade from British Columbia across the border. But it could only take trade if it were the interest of those engaged in it that it should go there. And a road over the international line would bring trade in as well as take trade out. There may be special circumstances which induce some people in British Columbia to oppose the proposed road. Let them do so if their interest so dictate, but that is no reason for laying down rules of exclusion, which, is generally acted upon, would build a Chinese wall around the country and shut out all foreign commerce. Much less it is a reason why Parliament should lend its sanction to any such narrow rule of exclusion.

In the case of Molsons Bank vs. Cooper, the decision of the Privy Council has a direct bearing upon the attitude of the Canadian banks on the bankruptcy question. The contention of Molsons Bank arose in a case of bankruptcy. The bank made certain advances to Cooper [& Smith], to be covered, in whole or in part, as the borrower found it possible, by deposits. When Cooper assigned, the bank had collected $83,000, and yet it thought itself entitled to sue for the whole amount advanced, $145,000, in order to increase the amount of dividend. Mr. Justice Rose decided in the bank's favor; the Divisional Court reversed the decision; the Court of Appeal restored the judgment of Mr. Justice Rose, and the Supreme Court was unanimous in deciding the same way. When the case came before the Privy Council, the Lord Chancellor in giving judgment said: "No such right as alleged by the bank could possibly exist." And he gave as a reason that "as the bank received the money, or turned the securities into money, when they received it, it is impossible to say that the indebtedness between them and the debtors was otherwise