

The Monetary Times

AND TRADE REVIEW,

With which has been incorporated the "Intercolonial Journal of Commerce" of Montreal, the "Trade Review" of the same city (in 1870), and "The Toronto Journal of Commerce."

ISSUED EVERY FRIDAY MORNING.
SUBSCRIPTION—POSTAGE PREPAID.

Canadian Subscribers.....\$4 a year.
British " ".....10s. 6d. ster. a year.
American " ".....\$2.50 U.S. Currency
Single Copies10 Cents.

Represented in Great Britain by Mr. Jas. L. Foulds
11 Bothwell St., Central Bldgs, Glasgow, Scotland

BOOK AND JOB PRINTING A SPECIALTY!

Office—Nos. 64 & 66 Church St., Toronto, Ont.

EDWD. TROUT, MANAGER.

TORONTO, CAN., FRIDAY, APRIL 11, 1884

THE NEW RAILWAY GRANTS.

The government of Ottawa is following in the track of the Quebec government, in its grants to railways. It is asking parliament to offer subsidies to an alarmingly long list of railways of almost every conceivable character, from the distinctly national to the pettiest of local. Of the latter, it will probably be said, by way of a defence of the grants, that they are branches; and where this is true, it will probably also be true that they are branches that are not likely to pay. As presented to parliament, these railway aids are limited in amount; a condition, in almost every case, being added that the total amount of the grant is not to exceed the sum named. These limitations are, as experience shows, of very little value. The province of Quebec began by granting subsidies in aid of a number of railways; but its responsibility did not end there. The companies which acted as the original promoters, and which inveigled the government into making the grants, failed in almost every instance to perform their part; the government, finding that the work would come to a stand and all the money it had advanced would be thrown away, was obliged to finish the work. To do this required large additional grants, and the province found itself under serious financial pressure.

What the Quebec government began by doing, in this particular, the Ottawa government is now imitating. Is there no danger that it will be obliged to run the same course? What guarantee is there that the railway promoters of to-day are more likely to be able to finish what they have begun than the Quebec railway promoters were, a few years ago. The race is the same; it never changes. Railway promoters, who are generally men without means, will undertake any thing out of which they fancy they can make money. In these days, when railways are built by bonuses, the talent of the stalwart beggar is the capital stock of the promoters; the problem with him is how to transmute his brass into gold, and to succeed in this piece of modern alchemy, he will say any thing, promise any thing and do almost anything short of murder. A swarm of these locusts has come down upon the Minister of Railways. It would be too much to ask us to believe that he puts faith in their promises. No man with the knowledge he has of the world and the ways of promoters is capable of such an act of credulity; any man of experience

would as soon put faith in the promises of a foot-pad, as in the promises of these promoters. And to say the truth, the methods of the two are very much alike. It is notorious that stand-and-deliver demands have, this session, been made at Ottawa; and how and where ministers yielded is no secret. If the promoter cannot get public men to put faith in his word, he can make them fear the force he is ready to array against them. Grants in aid of railways, extorted under such conditions, will not prove final; further demands will be made and they will be enforced by the powers of terror which extorted the first instalment. This is the danger of the course in which parliament is now entering, and in which it will run all round the circle.

But there are exceptions. Where the road to be aided is already built, the first grant will be the last. This is true of the line between Montreal and Ottawa, in respect of which \$1,440,000 is to be voted. This road has been sold by the government that built it, and in the process of the sale the government got the commercial value of the work; the incidental value is being reaped every day, and is shared in, it must be allowed, by more than the province of Quebec. If we are to grant subsidies to railways that have a general or national character, this grant will pass muster without objection. The \$6,000 a mile to a railway to connect St. Martin's Junction, near Montreal, with the city of Quebec, is avowedly to provide an extension of the Canadian Pacific and as such has a national object \$170,000 a year, for fifteen years, is to go to subsidize the shortest and most practical route between Montreal and Halifax, taking St. John by the way. Here we have a commercial rival of the military Intercolonial; and we can only say that it is a pity that the two objects could not have been combined, when the Intercolonial was built. But the British government would not aid, by its guarantee, a commercial road, and now commerce demands an artery of its own. To extend the Intercolonial to Sydney and Louisburg, \$30,000 a year is to be added for fifteen years, to previous subsidies. This illustrates what we insisted on, at the outset, that these subsidies are not final and that the limitations attached to them afford no guarantee against extensions. To the promoters of this branch of the Intercolonial, as this extension is called, is to be leased or transferred the Eastern Extension railway with its equipment from New Glasgow to Canso. Other branches of the Intercolonial are to be subsidized; one from Metapedia eastward to Paspebiac, in the Province of Quebec, and another from Derdy station to Indiantown. If these branches of a national railway, be necessary, would it not be economy for the government to build them itself and work them? The promoters will make money out of the construction; and if the road will not earn running expenses, the promoters will not run them at a loss. If they are purely local roads why should parliament grant any thing towards their construction?

It would be a profitless task, to follow in detail, the confusing multitude of railway grants. It is quite evident, from a glance at the list, which we give in full elsewhere, that we have got back to the old

system of scattering money grants with a profusion which so greatly scandalized Lord Durham, and which he considered in the light of bribes to constituencies. It is time to consider whether the policy of granting subsidies to parties who are generally irresponsible is not vicious and one to be got rid of with the least possible delay. There is no check on the men who handle the money. They are not servants or agents of the government; they are masters of the situation and in the expenditure of other people's money enjoy all the advantages they could get from the expenditure of their own. They have no motive to practice economy; their chief object is to profit by of the handling of the money of people towards whom they do not stand in any relation of accountability. They are absolved from every responsibility by which they could be held in check or made accountable. They are often under temptation to rush into extravagant expenditure, out of which they may profit. It would tax the ingenuity of man to invent a more wasteful and corrupting mode of expenditure than that to which these railway subsidies give rise. To put a stop to them is one of the needs of the time. If we must spread the whole country over with a network of railways, let us at least provide that these roads shall be built by persons who can be held to a strict accountability for the money they expend in construction.

LEGISLATIVE JURISDICTION.

Over a written constitution there are many conflicts of opinion before the true meaning of the text is established. The American courts were nearly a century before they settled the meaning of the instrument called the Federal Constitution. The opinion was recently expressed that the period of interpretation had passed; that the meaning of the Federal constitution had been settled with a certainty not likely hereafter to be disputed; but the remark had scarcely been made when the Republic was startled with a decision which practically removes the restrictions on the power of the Federal legislature and makes that body almost as omnipotent as any legislature in the world. The interpretation is upon a general power contained in the constitution, a power to do anything necessary to carry into effect the enumerated powers. Any one who will take the trouble to read Benton's debates, will find what a large part of the discussions in congress has turned upon the interpretation of the Federal constitution.

When Canada got a written constitution, she bargained, so to speak, for a long series of contentions over the meaning of the text. It is true the constitutional acts by which our legislation was before guided were written instruments; and that contentions over their meaning seldom arose. But there were not the same elements of conflict that exist under confederation. Between the separate provinces, there could be no conflict of jurisdiction, nor under the legislative union of the Canadas, could there be any collision, because there was no second legislative body with which power was divided. But between the Local Legislature and the Federal Parlia-