

Inoculation for pleuro-pneumonia is being tried at Bethsaida, Pennsylvania. Two of the inoculated animals died, but perhaps they were stricken with the disease before being treated.

MORTGAGE DEBTS.

When the mortgagee is regarded as the owner of the fee simple of the estate mortgaged, he must be treated as the virtual landlord, entitled to eject the nominal owner by foreclosure or sale, in case the latter fail to pay his rent in the form of interest. The legal position of the mortgagor is that of a man who has given the fee of his estate in pledge to secure a sum of money borrowed, with the right to redeem the pledge on payment of the stipulated amount. The existence of mortgage debts is not necessarily a disadvantage to the mortgagor, as is sometimes assumed. If the capital be borrowed at a rate which will allow the borrower to make a profit on it he is the better for the transaction; but if his profits are below the rate of interest he pays he is a loser by it. The question cannot always, however, be considered in this simple way; it is often complicated by other considerations such as: what would have happened if the money had not been borrowed? Perhaps the loss of the property would have resulted. Mr. G. W. McMullen, of Picton, is apparently one of those persons who consider the mortgaging of property as only evil. In a letter printed in the *Toronto Mail*, he says; "A leading manufacturer with whom I was recently conversing, pronounced Prince Edward the most solvent county in Ontario. I believe that it has the lowest rate of municipal taxation. He estimated the possible mortgage encumbrances as probably \$250,000 to \$500,000. When I told him that they were at least eight times the larger sum, he looked in amazement and simply remarked, 'what must be the condition of the rest of Ontario?' And our financial concerns, that are apparently unconscious of these facts, may well enquire whether there is not upon the real property of Ontario a mortgage encumbrance fully equal to the gross debt of the Dominion. I believe that it exceeds that amount, and my figures are based upon the actual facts here." These statistics are largely, not to say wholly, conjectural. The fact that the estimates of the amount of the mortgages in Prince Edward county vary from \$250,000 to \$4,000,000 shows that the widest differences of opinion exist on the subject. There is only one way of getting at the facts, and that is by examining the registry of every mortgage; and it is very improbable that any one has done this merely for statistical purposes. Everything else is guess work and wild at that. But Mr. McMullen assures us that the figures for Prince Edward county may be relied on. We place no stress on this point; but in any case Mr. McMullen proves nothing by these figures. It would be possible, perhaps, otherwise to discover the total amount lent by incorporated companies, in the county; but of the large amount loaned by private parties no probable estimate could be formed.

And what conclusion ought we to draw from the facts, if every thing Mr. McMullen alleges about mortgages in Ontario were capable of proof? That gentleman, treating mortgage interest as "tribute," draws no conclusion from the alleged fact; but he evidently intends the public to understand that these mortgages constitute an enormous evil, if not a great danger. But as he concludes nothing, merely setting up a scare-crow, there is nothing to prevent any one else, if the fact warrant it arriving at the conclusion that the borrowers have been benefited, and are now benefiting, by the capital they borrowed, on the pledge of real estate. Would it not be natural to conclude that this is the fact? Is it probable that borrowing on mortgage would be any thing like so general as Mr. McMullen alleges, or as it is, unless borrowers derived some advantage from obtaining the use of capital in this way? The existence of mortgages might afford evidence of improvidence in the borrowers; there may be cases in which they ought themselves to have saved the capital they have borrowed, and there may be others in which the interest paid is not earned by the borrower. But unless a country be in a state of decline and decay, which is not true of Ontario, the greater part of the capital borrowed on mortgage must bring the borrower a benefit in the shape of profit earned over and above the amount of interest paid. This is one of the things meant when people talk of the desirability of attracting capital to the country.

Mr. McMullen alleges that more than three-fourths of the interest earned on mortgage goes out of the country. The fact is very doubtful; but supposing it to be true, what then? It would mean that three-fourths of the parent capital, on which interest is earned, came into the country for the purpose of loan; supplementing local deficiencies and lowering the rate of interest to the borrower. The interest goes to the loaners of the capital; but Mr. McMullen forgets to tell us that the profit made upon it remains, and that the country is the richer by the total amount of this profit. If there be no profit, that remains for Mr. McMullen to show; and if he could do this, it would follow that the whole idea of attracting loanable capital to the country has, on the terms on which we have been dealing, been a mistake.

But we must go a step farther and consider what would have happened if this foreign capital had not come into the country. In that case, only one-fourth of the capital secured on mortgage would have been obtainable; three-fourths of the borrowers would have had to do without the loans which they obtained. One result, which is quite certain, a great rise in the rate of interest, would have followed, and the restriction would have proved disastrous in other respects. Of every four persons desiring to borrow, only one could have been accommodated; there would have been no chance for the remaining three-fourths to make any thing by the loans they would have been deprived of.

There is a strong element of quackery in Mr. McMullen's treatment of the subject.

He proposes annexation to the United States as a means of paying off mortgages, on the preposterous pretence that we contribute enormously to the Treasury of the United States. This is its quackery run mad, and Mr. McMullen is its professor. Mr. McMullen is very anxious to sell his country, and he apparently thinks that the farmers should be thankful that there is a country to sell.

THE RAILWAY COMMISSION ENQUIRY.

Several witnesses have been examined in Toronto by the royal commission appointed to enquire into the advisability of establishing a Railway Commission. The witnesses are very much divided in opinion as to the advisability of such a tribunal, and it is impossible to tell whether the advocates or the opponents will be most numerous. The discussion must be very vague so long as the powers of the proposed commission remain undefined. Railway commissions which have been established, in different States of the American union, have widely different powers conferred upon them. When a witness says, in general terms, that he is in favor of a railway commission, no idea is got of what he understands by a commission: what powers and authority he would confer upon it. Some assume that it ought, in effect, to be clothed with legislative powers, such as one of Mr. McCarthy's crude bills proposed to confer; others, if asked what powers they propose to give the commission, would probably stop far short of this point. Definiteness in this particular is very desirable. There is a general disposition in the witnesses who favor a commission to assume that it could accomplish what experience shows no railway commission has yet accomplished. The promulgation of this error must be of doubtful advantage.

Some of the evidence, if opinions can be called evidence, is of a striking and unexpected character. Special rates have their advocates as well as uniform rates. But it is difficult to see on what ground special rates, which constitute a departure from the general rate, can be defended, unless we are prepared to admit that the community may be left at the mercy of the railway companies. The right of the legislature to fix railway rates cannot be denied: that right has been uniformly asserted and defended by the courts in the several States of the American union, wherever the question has come up. To leave the companies to fix their own rates, as some witnesses are willing they should, would vest them with a power which the legislature can never allow them to possess.

There must be a general rate, and the euphonism of any "special rate" does not prevent the transaction being a discrimination of the worst kind, a discrimination in favor of individuals and against the general public. The doctrine that large shippers should get better rates than small shippers is not one that can be erected into a principle of legislation. Common carriers cannot be permitted to discriminate in this way; and the case is one in which it is the duty of the legislature to protect the weak against the strong.