

which lends itself with fair facility to a policy of regulation through maximum rates: in Canada the conditions are different. Any attempt on the part of any regulative body to draw up tables of maximum rates applicable to the diverse conditions of a country occupying such a geographical extent would be doomed to failure. The policy adopted in Canada has been a policy of regulation through maxima, these maxima being submitted in the first instance by the railways. A difficulty in connection with such a system has been that the maxima have been fixed sufficiently high to allow a wide margin. The maxima have been fixed so high that the traffic will not bear them, and in consequence the rates actually charged have been within these maxima. The fact that the maxima have been approved by the Governor in Council, although the approval has been, in the necessity of the case, in most cases *pro forma*, and that the rates actually charged have been within the maxima, has been advanced by the companies as an argument in favour of the reasonableness of the rates charged. But the reasonableness of a rate depends upon the circumstances under which it is charged, and will vary as the conditions vary. It is well nigh impossible, therefore, for any body in drawing up or accepting a general table of maximum rates to say before complaint has arisen, whether these maxima are reasonable or not, and any argument in favor of the reasonableness of the rates charged within these limits is also subject to the same criticism. Under the system which has existed the railway companies have claimed the right to change the rates with or without notice. This is clearly not in the interest of the people. In general the body interested with the regulative power should give up reliance upon maxima, and should desire the company to file with it the rate actually to be charged in respect of the traffic denominated. The same formalities in respect of publication might attach as at present, and if any preliminary objections should be presented to any phase of the tariff, these might be considered. But in the great majority of cases these rates would be subject to revision only when it appeared in the course of a complaint, that rectification of some grievance was required. By this procedure the regulative body would be enabled to focus its attention upon a special case.

The objection to this arrangement of rate regulation, namely, that it would not be sufficiently elastic to permit the railways to obtain competitive traffic, where the conditions change rapidly, has to be considered. As has already been stated stability and security of rates is essential. All changes should be made subject to the approval of the regulative body. The requirement that the railway should file the rate actually to be charged and not deviate from this unless authorized or required by the regulative body so to do, would work no hardship in regard to non-competitive traffic. In regard to competitive traffic there would be an opportunity for this to work a hardship. But this would be avoided by requiring in such a case, that the tariff should be filed and provided that it would thereafter be immediately effective, and that the rate so fixed might be changed as often as was desired by filing new rate sheets, each of which would be effective as soon as filed. The regulative body would have reserved to it a supervisory power in regard to all rates charged under such rate sheets. Every such rate charged would be subject to the revision of the commission. In this way the elasticity of procedure necessary, would be obtained, while at the same time the supervisory power of the Commission would be maintained.

XV.—THE RAILWAY COMMITTEE.

The culmination of the movement which led to the handing over of all the regulative features of the Railway Act to the control of the Railway Committee was attributable to the fact that it had been recognized that a large body, whose duties were political, was unfitted to deal with matters which were essentially administrative. Now, the body to which the exercise of this control has been handed over, is also political in organization and thus again the question of duality of function is brought up. The political duties of the Cabinet Ministers are too engrossing to permit of devoting themselves to all the intricate details of the transportation problem. When the Royal Commission recom-