

CONVERSION OF THE QUEBEC DEBT.

Objections are made to enforced conversion, but it is not clear that force can be used or is intended. It is open to both parties to make their own bargain. The resolutions propose to make it lawful for the Lieutenant-Governor to take steps for calling in the present debentures, by redeeming them in cash or exchanging them for new debentures. But is there not here implied, as a condition, the consent of the holders of the debentures? And if they consent no harm can be done. Without their consent would conversion be legal? We apprehend that it would not. The Government would have power to negotiate, but if the holders of the debentures declined to negotiate, it is difficult to see how any progress could be possible. The resolutions show that the conversion is to be made a subject of agreement with the present holders.

like all things of value, it will have to be paid for. What it will cost is one of the things which cannot be foretold; we can only know when the experiment is made. But the chances are that the Government can ascertain pretty nearly in advance, in fact that it has already felt its way and knows pretty well how the land lies.

Unfortunately, the future of the finances of the Province of Quebec is not unclouded. It is not prudent systematically to overrun in expenditure the amount of the annual revenue. The resources of the Province are by no means unlimited, and there must be some limit to expenditure. The general decline in the rate of interest enabled the Province to borrow at a lower rate to-day than ever before, in spite of its rapidly accumulated debt. This is satisfactory to the borrower, but it should not be permitted to prove a dangerous temptation. A large part of the debt will probably be converted, and this will somewhat ease the burthen. The great defect of the financial management of Quebec, and indeed of most of the provinces, is the entire absence of a rational revenue system. They, most of them, do nothing beyond pulling at the mother's apron strings and begging for help, when they ought to help themselves. The conversion would be more easily made, and on better terms, if the sources of local revenue of which the Province is at liberty to avail itself were systematically utilized.

RAILWAY PROGRESS IN CANADA.

Earnings of Canadian railways amounted	
In 1879 to.....	\$19,925,066
In 1887 they were.....	38,842,010
Showing an increase of	18,916,944

The receipts of the railways in 1887 show an increase of 20 per cent. over 1879, and the expenses an increase of only 5½ per cent. Receipts from freight traffic are almost doubled, thus showing a greater relative increase than those from passengers. From freight traffic was

Received in.....	1879.....	\$12,509,093
“ “.....	1887.....	24,581,447
From passenger traffic.....	1879.....	6,459,598
“ “.....	1887.....	10,261,691
No. of passengers carried,.....	1879.....	6,523,816
“ tons freight “.....	1879.....	8,248,819
No. of passengers carried,.....	1887.....	10,698,638
“ tons freight “.....	1887.....	16,356,335

Rates for freight, says Mr. Johnson, cannot be given with accuracy, as the only true plan to do that—viz., by the ton mile plan, as used in the United States, has not been adopted in Canada. The Railway Commission, however, state that Canada's ton-mile rate is lower than that of any other country.

"With respect to 'present receipts,' that is those for the present year, I judge from statements made public that though the Grand Trunk receipts have not been as large as in 1887, yet that taking all our rail-ways, the receipts for the year ended June 30th, 1888, will be larger than those of the previous year. For the 23 weeks to June 21st of present year the Grand Trunk receipts were about \$800,000 short of those of corresponding period of 1887. But on the other hand the earnings of the C.P.R. for four month ended 30th April last, were over 900,000 more than in corresponding period, 1887."

—The New York *Herald* acquits itself of the following jug-handled paragraph :—"Still another bank clerk has a very intense longing for Canada. The list of defaulters is a long one—about long enough we think ; but Canada as a safe asylum for roguery is a premium on crime in the States." Has the *Herald* forgotten that Canada, in her anxiety to rid both countries of the perpetual nuisance of malefactors from either country taking refuge within the boundaries of the other, proposed a reasonable extradition treaty between the States and Canada ? Also that the American Senate refused to sanction such a treaty ? It is not the fault of Canada that American thieves are in hiding here untaken.