

ment directors on the Grand Trunk railway board, they were withdrawn, with the consent of the legislature, as being of no public utility. The proceeds of sale are to be paid over to the government to form a sinking fund for the repayment of the capital. Such a precaution as this arrangement implies cannot be said to be unnecessary; though the administration of the fund by the government is liable to serious objection. The history of the Municipal Loan Fund will explain what we mean. The government undertook the administration of that fund, which it in no way intended to guarantee. But the public got the notion that the government had undertaken to redeem the bonds—unscrupulous brokers advertised them as guaranteed by the government—and in the end the government, to save its own honor, had to give its own bonds in exchange for those issued on the credit of the Municipal Loan Fund. The result was serious loss to the public. This is a warning which should not now be unheeded. If the government is to administer the land fund, how is the public to be made to understand that it undertakes to redeem the bonds only out of the proceeds of sales? Here lies the danger, and it is precisely one in which a railway corporation brought into existence by government subsidies would desire to entangle the administration. That this point should be well looked to, the history of the administration of the Municipal Loan Fund loudly admonishes us.

The amount of interest which the government is to guarantee will be \$525,000 a year, payable semi-annually. Of this amount, to start with, the government will have in its hands \$300,000 payable to the company for postal services; and the somewhat ominous statement is made that, the government will, for various services, including transport of stores, mounted police, etc., have to pay the company annually a larger sum than the whole amount of the guarantee. The company will be only true to its record if it tries in every way to swell these debits, and bring the government into its debt, after the latter has practically advanced, out of its own resources, the whole \$525,000 of annual interest. The amount payable for postal services is very elastic, and so long as there is no railway competition the government will be at the mercy of the Canadian Pacific company. But surely the Dominion Government is not going to bind itself not to give the mail contract to any competing line for the next half-century; we cannot believe that anything so improvident and one-sided as this can possibly be intended. Special care should be taken that the contract cannot be so read as to produce such a consequence.

The fact that the company is in want of fifteen millions more capital is somewhat unpleasantly suggestive of the future. Its capacity for spending is apparently unlimited. So long as the capital account is open, it can make a good showing. When this account closes, the real test will come. Of the ambitious schemes which it entertains there seems to be no end; but there is a limit to earning power. The Canadian Pacific railway is now bargaining for com-

petition in one direction; and in other directions competition will come. The company has been justly praised for its amazing activity: will it know when to rest? For there will come a time when its salvation will depend upon its refusing to branch out in new directions—sitting still and making the best use of what it has got.

THE RAILWAY ACT.

Now that the proposed Railway Act has been printed, a better opportunity is afforded of ascertaining its provisions and learning how far it carries out and gives effect to the recommendations of the Royal Railway Commission in their report. Taking up the question of jurisdiction, we find that by section 11 the Railway Committee of the Privy Council, formed of the Minister of Railways, the Minister of Justice, and one other member of the Privy Council, are to be the sole court in all railway matters, and in fact to dispose of all the questions relating thereto.

When the Railway Commission was appointed to examine into the whole railway question, and take evidence in relation to the difficulties and complaints said to exist therein, it was of course expected that this body would collect much useful information, and that its report would in all essential particulars be adhered to. The Commission went to work, and did, as appears by the report, collect a great deal of very valuable information, not only in Canada but in all parts of the United States; and in its report, although showing the usefulness of the principle of commissions in the States and England, seems to have thought that until the new Interstate law had been a little longer in existence, and it could be seen what course the British Parliament intended taking with regard to their Railway Commission, which was proposed to be made permanent, perhaps it might be the safest course to make some temporary provision for the purpose of looking after and preventing the many evils which admittedly existed with regard to railways, and which are the same all over the world. Carrying out this view, the Commission recommended that the Railway Committee of the Privy Council should have the control of the various cases; but fully recognizing the fact that the vastly greater proportion of the cases likely to arise would be of such a nature that to ask the parties to go before the Privy Council Committee at Ottawa, the only place where it sits, would simply prove to be a denial of justice, they therefore recommended that officers be appointed for each province, to hear and determine all this class of cases; such as discriminations, rebates, drawbacks, preferences, exorbitant charges, and such-like, which could be heard and determined in, or, at least, comparatively close to, the place where the complaint arose, and be thus speedily settled. This would appear to be a very important consideration, and would give country traders the assurance that they were going to be dealt fairly with, and that every facility would be given to enable parties having what might be comparatively small matters,

although, perhaps, often recurring, the chance of having them rectified.

Instead, however, of taking this reasonable and, we should have thought, very proper course, the present Act only proposes that the Railway Committee or the Minister may appoint or direct some person to make an enquiry and report to it (we presume to the Railway Committee) "upon any application, complaint, or dispute pending before such committee, or any matter or thing connected therewith or incident thereto." This proposed person, it seems, is to have no authority whatever to determine, or in fact even to make any recommendation or give any opinion; so that after he has reported, the person complaining must either go to Ottawa to present his argument—as we must naturally suppose he will have some—or he must simply let matters take their course. With a committee the moving spirit of which will naturally always be the manager of the Government railways, and he being essentially a railway man it is not difficult to imagine the tendency of all decisions: they must be tinged with the railway view of the case. Besides which, we can hardly imagine a man in British Columbia, Manitoba, the Maritime Provinces, or the further points in either Ontario or Quebec, ever making a complaint at all, if this mode is to be adopted. The method proposed by the Commission would no doubt, until the appointment of a permanent commission, give far more satisfaction, and enable those who had complaints to have them tried with speed and little or no expense; and we do think that now, when this important matter can be fairly discussed and before it becomes law, this portion of the Act should be changed by following the recommendation of the Commission, and having the officers appointed given power to hear and determine the cases referred to, and that they should be made permanent, at least until the system be changed. One principal reason for wishing them made permanent is that they could give their undivided attention to the railway problem, which is admittedly a very complicated one, and one that cannot be dealt with properly or efficiently without great attention to it. Such close and minute attention cannot possibly be expected from such a body as the Railway Committee of the Privy Council, who have so many other duties to perform, and who are not necessarily supposed to have minute knowledge of railways or the many important questions that arise out of their management.

G.

A MINING BOOM.

There are predictions of what is called a mining boom, to open out fiercely this spring. No doubt there are plenty of mining schemes already perfected, on the strength of actual or pretended discoveries already made, which will be launched as soon as the public is prepared to accept them. Apart from this, a race in prospecting is likely to be the first step; the next will be discoveries of real or pretended treasures, haste not to work but to realize by sale of the land, or of shares, in case a