

HOW TO CONSTRUCT THE INTERCOLONIAL RAILWAY.

WE are not on this occasion going to advocate the construction of the Intercolonial Railway, or the cheap principle or the dear principle, the narrow gauge or the broad gauge. What we have to say will apply no matter on what principle the road is made. It is more with the giving out of the contracts than with the manner of executing them that we have to deal. The giving out of the contracts is a matter of the utmost importance. On it depends, in a great measure, whether the road shall be built economically or whether it shall cost four times as much as it ought to cost and as it will be worth. And truly when we consider the straightened resources of the Dominion, and the numerous and indispensably necessary public works that we have to make, the most thoughtless and reckless must admit that there never was a time in our history when rigid economy was more demanded; and that we never had more occasion to beware of jobbing, corruption and extravagance than we have at present. Let us glance at the public works looming up all round us and their cost. There is this Intercolonial road, the opening up of the North-west territory, including perhaps the buying out of the Hudson's Bay Company, the Georgian Bay and Ottawa canal, to say nothing of fortifications, militia training, and possible contingencies on our frontier. All these works and contingencies will entail the outlay of very many tens of millions of dollars, for which the people will have to be taxed; they will also place burdens on trade and commerce; and this will be the case if there is no jobbing, waste, or extravagance. How much greater and harder to bear will our national burdens be if they are unnecessarily and wickedly increased by a ruinous system of giving out contracts which will enable the few greedy contractors to fleece the public and starve the work they have in hand.

There are two modes by which the Intercolonial road can be built. The one is by giving the contract for the entire work to one man, or one company, or to two or three companies amalgamated into one. The other is to divide the line into sections of ten or twenty miles, and to give each section out to a separate contractor. If the first plan is adopted, we can predict what will follow. The first contractor will not build the line; but will sub-let it to a second contractor, who in his turn will sub-let to a third, who if he does not again sub-let the whole job to a fourth, will, at all events, adopt the plan of dividing the work into sections, giving out separate contracts for each section at the very lowest rates. The results of such a system cannot but be disastrous. In the first place the public will have to pay four or five prices for the road, and in the next place the road will be starved and will be badly constructed. If both those results do not follow, one of them certainly will; and that alone would be sufficient to condemn a monopolizing contract to one man or one company.

How much better to adopt the natural and economical plan of dividing the work into convenient sections of ten or twenty miles each, and then giving each section to a separate and lowest bidder. The lowest bidder might not of course in all cases be the lucky one, that would be a matter of discretion and judgment. But no contractor ought to get more than his one section, unless indeed he finished his section in time to compete for a second. By the adoption of such a plan as this we would anticipate the happiest results. In the first place the public would have to pay only one price for the road, and that the lowest. In the second place the road would be well built. Thirdly, the road would be speedily constructed. And fourthly, no one part of the Dominion could be jealous of another. For there would be so many sections to make, that contractors from Ontario, Quebec, New Brunswick and Nova Scotia would all get work to do. In fact, by this plan this public work would be constructed by the people. Instead of one or two contractors making enormous fortunes out of it, hundreds and thousands of the working and middling classes would be secured work and reasonable remuneration for a couple of years. The masses, not the few, would be benefited. The country opened up, by being known to so many well-to-do people, would be speedily settled. In short, a hundred times more good would result to the people by the adoption of the section system than by adopting the system of monopolies by which existing public works have been so badly and so expensively constructed in Canada.

Against the plan we advocate it may be urged that a sufficient number of men with capital and the neces-

sary ability could not be found to construct the road in sections. But these objections are unimportant. With regard to capital there is no force at all in the objection. Canada, it is true, is a poor country, because a young country; but at the same time it is not too much to say that there are in the Dominion thousands of men with means enough to undertake the construction of a twenty mile section of railroad, if they only had the chance. And with the Exchequer of the Dominion to draw their checks upon according as they got through their work satisfactorily, the chances of any contractor failing in his work would be very small indeed. And then as to ability. A quarter of a century ago an objection against the ability of a large number of men in these Provinces to build railroads might have weight, but now it can have none. Railroads are no novelties in the Dominion. The existing and rising generations of engineers and contractors have been brought up in the art of making railroads. And what is more, native engineers, who know our soil and our climate, our wants and our resources, would be more apt to give us a good, serviceable, cheap, and efficient national road than imported talent, even of a high order, and joined to unlimited credit or capital.

In conclusion, we would again strongly urge the necessity of economy in the construction of the Intercolonial road. We do so because we have many public works of indispensable importance to construct, and we have but limited means at command. We do so in the interests of trade and commerce and national industry, which will have to bear the burden of the construction of those works. Already trade and commerce are heavily burdened, and although we confidently look forward to an increase to our prosperity from the completion of the Intercolonial, yet it is evident that the just expectations of the public will not be fulfilled if the road is made to cost three or four times what it ought.

A NEEDED REFORM.

THE business public are greatly interested in quick intelligence and rapid transportation. Both of these have been found at all times closely connected with commercial success, and they are more than ever requisite in this enlightened and progressive age. The man who could be certain of procuring intelligence before his fellows, would soon amass a fortune, and the same might be said of one whose means of transportation were always superior to those of his competitors. To supply these two important requisites of business, we have now the electric telegraph and the modern express companies. The value of each of these to the business world, it would be impossible to compute; indeed, it may be said they are invaluable. Without the telegraph, the world would seem to have gone backwards half a century, and the trade of the country would be revolutionized, but revolutionized on the backward track. "Well," it may be asked, "what has all this got to do with 'a needed reform'?" Surely you don't expect to send messages quicker "than lightning, or transport goods faster than by 'the express trains'?" No—we don't expect that. The "time" now made both by the telegraph and express, is not likely to be excelled in our day, except where careless messengers don't deliver the messages promptly, or careless agents don't send off and deliver packages as sharply as they are paid to do. Nevertheless, we think there is room for a reform in both cases. That reform is—such a reduction in charges as will enable the commercial public to enjoy the advantages of the telegraph and express much more than they now do. We notice that one journal advocates that the price of telegraphic messages should be reduced to 10c.—and this rate a uniform one throughout the whole country. This may be rather low, but one thing, we think, we may safely affirm, that the rates at present demanded from the public both for telegraphing and expressage, are much too high. The public interests require that two such requisites to the success and increase of business should not be so costly, and we are of opinion that the rates now charged might be considerably reduced, without, in the end, largely, if at all, decreasing the revenues of the companies interested therein. Were telegraphic messages, for instance, made a uniform rate of (say) 12½c. who can doubt that there would be double the messages sent that are now? The probability is, in fact, that the increase of business would be in a greater ratio than the decrease in the prices charged, and that the proprietors of the lines would not be sufferers thereby. And so with the express companies. The

advantages they offer for rapid and safe conveyance of articles would be much larger used by the community, if the cost was not so great as it is. Now, the policy of business men is: use the telegraph and express as little as possible. Were the charges moderate, a large portion of business correspondence would be done by telegraph, and the quantity of express freight would multiply as if by magic. Such a reform would be an inestimable advantage to the Commercial world, and what the companies lost in lowering prices, would be made up in increase of traffic. We simply throw out these suggestions. It remains for those interested to consider and act upon them. We believe these changes cannot be very long delayed. Every year rapid communication and transportation are becoming more necessary to the business of the country, and the cost of them must be made such that their advantages can be enjoyed by all classes.

The following is a statement of duties collected at the Port of Montreal for the ten months ending Oct. 31st for the past four years:—

10 months, 1864	\$3,613,610
" " 1865	2,809,783
" " 1866	4,207,700
" " 1867	3,006,639

ANOTHER WARNING

WE have had occasion more than once to refer to frauds perpetrated by means of warehouse receipts. Another case of the kind recently came to light in Ontario, the city of Hamilton being the theatre of the occurrence. The offender occupied quite a respectable position in the city, being at the time, Secretary of the Board of Trade, whose members were, of course, put into quite a flutter when the facts leaked out. Mr. W. Irvine, the person referred to, has for several years been connected with the produce trade of the city, and had as usual in such cases, an account with one of the Banks, into the books of which he figured to the tune of some \$40,000 or \$50,000. A few weeks ago the suspicions of his creditors were aroused that all was not right; an examination took place, which proved that for a considerable period he had been obtaining money from the bank in question upon fictitious warehouse receipts—that is, receipts professing that Mr. Irvine had so much produce in storage, when such was not the fact. Soon after the facts transpired, the Board of Trade held a meeting to consider the conduct of Mr. Irvine, who, as their Secretary, it was felt had almost cast a stain upon their character. The finding of the Board was that they "had investigated the matter, and find that Mr. Irvine obtained advances from the bank on fictitious warehouse receipts, knowing them to be such. The committee feel it to be their duty to condemn in the strongest manner so dishonourable an act, and recommend that his name be removed from the list of 'members of the board.'" Irvine, it is said, beat a retreat to Chicago, and certainly got off pretty easily upon the whole. It is said that the Bank had some other security than the receipts, for part of their claim against Irvine; but this does not make his conduct the less reprehensible. The system of granting credits on warehouse receipts is open to considerable abuse, and these repeated warnings should put bankers and others more on their guard in such transactions. When dealing with an honest trader, the system is right enough, and it would be a hardship if such men were denied credits under such circumstances; but when the party is dishonest or tricky, the loaners of the money runs considerable risk. The interests of the honest trader, not less than the course of business morality, requires that an example should be made of those guilty of this species of fraud, which would serve as a warning to others so inclined in future. A little wholesome severity would be the most efficient check to the evil, and unless Boards of Trade, individuals, and corporations suffering from such dishonesty, throw aside any mistaken feelings of sympathy, and endeavour to punish the guilty as they deserve, these frauds are likely to increase both in numbers and extent.

THE COMMERCIAL BANK.

At an informal meeting of the Montreal shareholders of the Commercial Bank, held at the office of the Montreal Ocean Steamship Co., this 29th day of October, 1867, at which were present a very large number of those interested as stockholders, as well as re-