

factory from its experienced managers during a strike. It is not less unreasonable for outside business men to meddle by virtue of their authority as directors with underwriting details of a fire insurance company. Their proper function is to select the right man to be the underwriter of the company, and then give their attention to securing safe investments for the funds he amasses for it. The old proverb about not "swapping" horses when crossing a stream should be kept in mind by directors during the critical season soon to commence. It will be wiser to liquidate a fire company than to trust its guidance to a strange and inexperienced manager during the next year or more."

PHILOSOPHY OF RAILWAY REGULATION.

Why is it that there is always, in these modern days, a railway problem of some sort or other in Canada or the United States? The question might be answered off-hand, by stating that the Legislators who framed the laws, which in each country regulate the railway industry, did not draw them up in such a way as to secure the objects which they had avowedly in view. In other words, it might be said that the main provisions of these laws have been found, on experience, to be either lacking in comprehensiveness, in clarity of diction, or in undoubted constitutionality. We have in Canada a Railway Committee of the Privy Council; but can any one point out a railway dispute of any kind in which it has interfered? Yet, it is clothed with extensive powers, or perhaps it would be more correct to say that it was meant to be clothed with extensive powers, by the parliament that created it. The United States has its Interstate Commerce Commission, an "admirable" administrative body in theory, but unsatisfactory in practice, since the courts have, on several occasions, denied to it certain authorities which it claimed, and because the act which established it did not provide it with adequate administrative machinery to carry out the duty that it imposed.

Those who are interested in railway property resent, of course, all interference by the state in what they claim to be their private business. The advocates of state control and regulation reply that the railway industry is an extensive, and not an intensive, industry. It conforms to the law of increasing "returns rather than to the law of constant" or "diminishing" returns. This being the case, ability to perform a unit of service cheaply depends more upon the quantity of business transacted than upon attention to minute details. That is to say, the expenses incidental to the operations of a railway do not increase in proportion to the increase in the volume of traffic. As an industrial fact, this does not pertain to the business of the manufacturer, the merchant, or the farmer, but is peculiar to the business of transportation; and it is adequate, when properly understood, to explain why all advanced peoples, without regard to the form of government they may have adopted or

the social theories they may entertain, have surrounded the administration of railways with peculiar legal restrictions.

In England, the state fixes the passenger rates on every railway, and it does this on the theory that, the railway industry partaking of the character of a monopoly, it is the duty of the state to safeguard the interests of the people. We seldom or never hear of a railway problem in the United Kingdom, for there, as a rule, the laws are clearly worded, and rigorously enforced—which cannot be said of any country on this side of the Atlantic. In the United States it was in the general interests of commerce, as its name implies, that Congress created the federal and semi-judicial body called the Interstate Commerce Commission. The chief purpose of the establishment of the commission was, as Mr. Henry C. Adams, its clever statistician, states, to guard against invidious discrimination in railroad property. This discrimination, he asserts, is of three kinds: discrimination between persons, discrimination between carriers, and discrimination between localities. These three kinds of discrimination are misdemeanors, punishable by common law, falling as they do under the heading of "unjust price." But common law is insufficient to meet them, because of the tardiness of its operation. He says:—

"Suppose, for example, that one cattle-dealer in Chicago is selected by a pool of railways to control the shipment of meats from Chicago to the seaboard, and that, in order to secure him this control, he receives a rate 10 per cent. less than the rates charged other dealers; it is evident that the favored shipper will quickly destroy the business of other shippers by bidding more for cattle than they can afford to bid. Even if it be true that the discrimination is not approved by common law, what remedy has the small shipper that is speedy enough in its action to rescue the business which he observes to be slipping from him? He has no remedy, and for this reason it is essential that discriminations of the sort referred to should be made statutory misdemeanors, and that some special method of procedure, more rapid in its operations than an ordinary court, should be established to cause the railways to desist from their wrong-doings."

But since railway legislation both in Canada and the United States has admittedly failed to attain its object, from causes peculiar to each country, it is evident that, for many years to come, at all events, philosophical theories will have to give place to hard facts, and attempts at real and effective regulation by law will perforce be replaced by a common-sense, business-like and mutually advantageous arrangement.

THE ROYAL VICTORIA LIFE INSURANCE COMPANY.
—We note that this Company have moved their Toronto branch to more commodious premises in the Lawlor Building, 6 King St. West. Mr. Alexander Cromar is the superintendent of agencies.