

plans of all branch lines, new lines, general works, bridges, etc., and the approval of the board must be secured before the work can be commenced.

The board may order the construction of bridges over navigable waters.

The board may order the construction of private sidings or spurs to any industries, if it deems it necessary.

The board may exercise jurisdiction over claims against railway companies; at the same time, it protects the railway companies from unjust claims.

The board's authority extends to expropriation proceedings of every description.

No railway may cross or join another railway without the consent of the board.

The Railway Act defines the duties and powers of directors of railways.

It can fix either maximum or absolute rates.

All freight tariffs have to be filed with, and receive the approval of, the Commission, which has the power to order changes in them.

No toll can be charged which unjustly discriminates between different localities.

No greater toll can be charged for a shorter than for a longer haul unless, in the judgment of the Commission, special conditions make it necessary.

Freight tariffs are governed by a classification which must receive the approval of the board. This insures uniformity of classification.

In Mr. Whyte's opinion, the beneficial effects of such regulation on the commercial development of Canada cannot be overestimated. "Consider," he says, "for one moment what this protection means":

"1. Equal rates for all. A guarantee that one section of the country will not be exploited to the detriment of another region equally endowed with natural resources.

"2. No secret rebates. An exemplification of the 'live and let live' policy. The small producer is zealously protected and is afforded an equal chance on the same basis with a wealthy corporation.

"3. Government regulation of train schedules. An absolute assurance to the shipper that he can fulfill his contracts."

That legitimate corporate interests as well as those of the general public are safe-guarded by the powers of the Board of Railway Commissioners, is illustrated by instancing the possible case of a town, where one railway is already located, desiring the entrance into the town of another railway and, therefore, desiring to grant a location to the entering road which might prove injurious to the first road. In such a case, the first road might, of course, appeal to the Commission against this injustice and the Board would have the power to compel the second road to enter the town by another route.

All in all, the writer believes that with the tremendous undeveloped natural resources of Canada and the blessings incident to railway regulations such as these, there can be found no better

field for capital seeking investment. Referring to the fact that Canada has a greater railroad mileage per capita than any other country (despite the United States' 222,635 miles of steam railways) and to the additional circumstance of present construction activity, he concludes that rational government regulation is by no means a fatal drag on a nation's railway prosperity.

#### **The Australian Tariff.**

The protectionist principle that underlies the new Australian tariff is not departed from in the preference extended to Great Britain. The latter is provided for by a raising of the general tariff, rather than by a lowering of rates applicable to imports from the motherland. The preference is not in the form of a general percentage, but runs all the way from 5 p.c. to 100 p.c. upon various classes of goods, according as home industries are considered to require more or less protection.

The principle and effect of the tariff has been succinctly stated by Mr. J. P. Knight, of Sydney, New South Wales, who has been visiting Montreal with a view to increasing trade relations between Canada and Australia.

"The policy adopted by the Deakin Government," said he, "is that Australia does not want to import anything that can be produced there, and that duties should be fixed to prevent such importations. But if it is necessary to import anything, then we would prefer to import it from the other countries of the Empire; and, therefore, the duties are so arranged as to give a decided preference."

Mr. Knight is of the opinion that if arrangements are effected whereby preferential treatment is extended to Canada, that the Commercial relations between the Dominion and the Commonwealth will on the whole be improved—conditional, however, upon Canadians securing better facilities for shipping goods to the antipodes.

As yet Canada's imports to Australia have not been large—the total for 1906 being but a little over \$2,000,000. About a quarter of this consisted of agricultural implements, and nearly one-fifth of paper. The bulk of these two classes of exports was admitted duty free; under the new general tariff there is a duty of ten per cent., though under preferential treatment they are not subject to any charge. While these two, as yet most important, exports would therefore not be affected adversely by the new tariff if a preferential arrangement obtains, there are other classes of manufactures—such as furniture and bicycles—where a practically prohibitive duty is charged, even under the minimum schedule. As certain of these lines of goods were looked upon as capable of considerable development in the near future, the new regulations will prove distinctly disappointing to a number of firms interested in such trade expansion.