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Our readers are requested to send us court decisions and newspaper clippings relating to railway interests.

It is desirable that communications, new advertisements and changes in old advertisements be handed in before the 10th of the month.

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TORONTO, SEPTEMBER, 1887.

SIR GEORGE STEPHEN ON THE MANITOBA SITUATION.

THE president of the Canadian Pacific Railway has done a service not only to the shareholders of the company but to the public as well, by his clear and comprehensive statement of the company's side of the Manitoba controversy, which is now raging so fiercely. It was necessary for the proper understanding of the question that such a statement should be made, for the popularity of shrieking against "monopoly" has led to the public being left uninformed as to some of the most important facts bearing on the case.

Too much feeling has been aroused on this question, not tending to make the issue clearer, but to blind the public eye to the facts and becloud the public judgment as to the best course to be pursued. And in this we do not believe that either side is wholly to blame. There is too much to be said on both sides of the question for either side to hope to gain by an appeal to anything but law and reason. If Sir George succeeds in caus-

ing others to imitate the calm style of discussion which he shows in his letter, he will by that alone have brought the question much nearer settlement.

The case hinges upon the position and responsibility of the Dominion Government under the British North America Act and under the bargain with the Canadian Pacific Railway Syndicate in 1881. There is no doubt that according to the plain wording of the agreement the Dominion Government must not "authorize" the construction of any railway to the boundary.

This being clear, two questions remain to be settled: First, can a railway be constructed without being "authorized" by the Government without violating the agreement and, second, if a road is constructed without being so "authorized," is the Government responsible to the company for violation of contract? There has never, so far as we know, been a clear and authoritative statement to show under what law the Red River Valley Line is being built by the Manitoba Government. If it is being done under the special act of last session, that having been disallowed, the work is illegal. If it is being done under the general Public Works Act of some years ago, which has never been, and cannot now be disallowed, the legality of the work may be contended for, but, in either case, the responsibility of the Dominion Government still remains to be considered. If the Manitobans are carrying on an illegal work, does the Dominion, under the contract, "authorize" it by not forcibly preventing it? If they are carrying on a legal work under a general Act, is the Dominion responsible for not having disallowed that Act? There are legal questions which will be discussed in time, no doubt, by the ablest lawyers in the country, and we would not presume to pronounce upon them until the arguments have been much more fully brought out.

All this does not affect the question of Manitoba's right to build a railway. Sir George Stephen clearly points out that the Dominion, and not the Province, has the power in cases of railways crossing the boundary, and common sense as well as law make it clear that in an international question, such as a boundary railway, the national, and not the provincial power, must be paramount. But there are, under our constitution, concurrent jurisdictions in

affairs. The Dominion, for instance, controlling trade and commerce, controls insurance companies doing business throughout the Dominion. But the provinces, having jurisdiction over property and civil rights, controls certain insurance interests. In this case the province may have rights which would give it power to bring into existence an international railway, yet, which, being called by some other name, would not be under control of the Dominion. This also is a fine legal point over which lawyers and judges will doubtless spend weeks and months of research and consideration, upon which we do not venture now to express an opinion. Even should this point be settled in favor of the Province, the question of the Dominion's responsibility to the company for breach of contract still remains.

Not as affecting the legal aspect of the controversy, but as setting forth the reasonableness, from a public point of view, of the Canadian Pacific Company's position, Sir George Stephen's statement regarding rates and branch lines is most important. He makes a specially strong point when he speaks of the satisfactory character of the service. In view of the universal tendency of a monopoly to grasp all and give nothing in return, the action of the Canadian Pacific Company, in giving a service superior to anything in the North-western states, cannot be too highly commended by the public. The rates also are most reasonable, and though discriminations have been alleged to exist under the schedule they are no more remarkable than those practised all over the continent, without such a hullabaloo being raised as has been raised in Manitoba.

To those who have been led to believe that this question was altogether discussable in such terms as "people's rights," "iron heel of monopoly," and so on, we would strongly commend a careful perusal of Sir George Stephen's letter.

GOVERNMENT CONTROL OF RAILWAYS.

To a man who has faith in existing political methods, and believes that the trend of politics is upward there is nothing dreadful in the idea that the state shall control the railways. To persons having stock in railway enterprises the idea should not be distasteful, for it has