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A RAILWAY WAR.

A railway war which takes the form of a reduction of rates and fares is an intelligible thing, and is one that is of very frequent occurrence. But a railway war, where backbiting and depreciatory statements are the chief weapons used, is happily of rare occurrence and is much more abhorrent to our notions of what is right and fair. The Canadian Pacific Railway Company is meeting this kind of foul play in England, and the Grand Trunk is credited with being the hidden hand that moves the wires. The charge though not proved is supported by a number of facts that lend it plausibility and even show it to be probably true. The depreciation of the Canadian Pacific is too systematic to be the spontaneous criticism of men who have only public interests to serve. The writers may have no other intention than to sound what they are induced to believe is a necessary note of alarm; but the unconscious bias received from the hidden hand is, for all that, plain enough to be seen. The Grand Trunk railway is always mixed up with these discussions. It is being made to do the same sort of duty that the withered limb does for the public beggar. We are told to look at the poverty of the Grand Trunk, and are invited to accept the conclusion that the country in which this concern starves. cannot be in a position to support any new railways. The logic is a little violent, since the circumstances under which the two roads will exist are as widely different as possible. We are however very far from believing that the Grand Trunk prompts all the criticisms of the English press upon the Canadian Pacific. To think that it does is a delusion which all concerned would do well to get rid of.

Let it be said, once for all, that the Canadian business of the Grand Trunk is done at highly remunerative rates. It is the through traffic which comes into competition with a number of American lines, that has been all along unremunerative or so much less remunerative than the Canadian business and that accounts for the absence of dividends. For this result Canada is not responsible. The Grand Trunk direction is in England, and there the responsibility lies. It is mere trifling to say that, till the Grand Trunk pays a dividend, Canada has no right to build a railway to the Pacific. A dividend it would have paid long ago, if the through traffic had been done at reasonably remunerative rates Whoever may be responsible for this failure, Canadians are not. To say that we ought not to build a railway to the Pacific without asking leave of the Grand Trunk directors, for that is what it amounts to, is an assumption that needs no refutation.

That the Grand Trunk Company has entered the war-path is patent to everybody; the only question is as to the character of the weapons it is using. It was of course quite open to that company to purchase a controlling interest in the North Shore Railway. The wisdom of its doing so is another matter. About that wisdom or expediency the gravest doubts may well be entertained. A double line is desirable and may be necessary; but two lines between Montreal and Quebec are not necessary and they can scarcely be remunerative. Financially, the purchase can not be considered otherwise than a blunder; and if the management is such as to render a dividend impossible, the right to reproach Canada for the result of the errors of the directors, cannot be admitted. To the Pacific Railway Company the possession of the North Shore Railway would have been more important, since it would have given it the connection with the port of Quebec which it does not possess. Should such connection become necessary, a new line will one day be built; and the chances of paying of the two Grand Trunk lines between Montreal and Quebec will become more remote than ever.

If the Grand Trunk Company be the hidden hand that is striking the Canadian Pacific, regardless of whether it hits above or below the belt, the object is plainly to prevent the latter company getting access to the London money market. But even if it could succeed in this object, it could not prevent the road being built. If capital could not be got in London, it would be found elsewhere. Worse terms might possibly have to be accepted; and the result would be that the road, costing more to build, could not be worked on terms so favorable to settlers and travellers as it otherwise might. The Canadian public would be more injured than the railway company. But it is not at all certain that the Grand Trunk can keep the Canadian Pacific from raising funds in England; if reports speak true, money *has* been raised there.

The Grand Trunk Railway Company naturally desires to share the trade of the North-West, which for a limited time is the special reserve of the C. P. R. In that object it is most likely to succeed by obtaining a large measure of public sympathy in this country. But if it is really using the weapon which public rumor credits it with wielding, it is doing its best to alienate that sympathy. In that case it is acting like a man in anger, and is showing the folly natural to one in a passion. Any one not blinded by self-interest must see that the Canadian Pacific is going to be built, and that no amount of depreciatory writing about the company or the country can prevent this being done. Of all railway wars a war of libellous depreciation, with malevolent intent, is the worst and the least excusable.

The blows which the Grand Trunk is credited with aiming at its rival will eventually recoil upon itself. In fact it is doing itself present and future injury. Its judicious friends in the press find themselves under the necessity of decrying its credit in the hope that they may thereby injuriously affect the credit of a future rival. In so far as the depreciation of the North-West tends to turn emigrants in other directions, in so far will it lessen the future trade of that country; with the result that when the Grand Trunk is allowed to share in that trade, there will be so much the less for it to get. The true policy of the Grand Trunk is to aid in the settlement of the North-West, as a means of obtaining future sources of new business. The North-West is not always to remain in the exclusive grasp of the Canadian Pacific. Why cannot the Grand Trunk play the long game? If its managers could see beyond their noses, they would see that their true line of policy is do all they can to build up the North-West; to extend its cultivation and its trade, so that when it is permitted to go there, it will find abundant business to do.

INSOLVENCY.

We dealt a week ago with a number of points raised in a recent communication from Mr. Evans of Montreal on this subject. We now propose referring to some further points especially those affecting the practical liquidation of estates. When it is urged that the process for winding up of estates should be as simple as possible all will at once give assent. But when it comes to a statement of what that simple process shall be, it is difficult to get any two men to agree even among those who are possessed of practical experience. The true reason for this is that suggested by our correspondent, viz., that the subject is not a simple one. Those who expect that an effectual law can be framed with a few strokes of the Legislative pen are doomed to disappointment. Varied and diverse interests have to be considered. Complications caused by bad management, worse book-keeping, and too often dishonest dealing, have to be met and solved. All classes of property must be dealt with. Questions of disputed ownership including alleged dissolutions of partnership have to be considered, and the rights of the creditors in respect thereto guarded. Mortgages and liens upon properties real and personal have to be provided for. Questions of preferences for rent claims and for wages will demand settlement. Fraudulent conveyances made to defeat creditors, fraudulent claims made by friends and others, and preferential payments and transfers of property to favored creditors must be adjusted.

These and a thousand other complications which may raise have to be dealt with, and the machinery to be provided must be of sufficient elasticity to meet the different cases as they arise. Under these circumstances it would be folly to disregard the lessons of past experience. The recent insolvent acts no doubt had their defects. There were difficulties in their administration, and too often malpractice as well; but, as already urged, the majority of these difficulties arose, as we believe from the composition and discharge clauses which from their nature need have no connection whatever with the question of liquidation. The question of the insolvent's discharge under the old law lay also, too often, at the root