

these gentlemen can tell the people of Canada anything of importance concerning their railways that is not already well known may be too much to expect. But at all events the country will have the satisfaction of knowing that the railway situation is being examined by a body of able and experienced men.

Before the Privy Council

FOR the moment, the attention of people particularly interested in the Ontario railroad situation is turned toward London. The question is involved in appeals which are being heard by the Judicial Committee of the Privy Council. Eminent counsel, both British and Canadian, headed by Sir John Simon on one side and Sir Robert Finlay on the other, are arguing the case. Judgment may be looked for at an distant day. There will be some curiosity to learn how the matter looks to the British judges. There will, in that way, be some interest on this side of the ocean in the decision to be given. But the misfortune is that the decision, whatever it may be, will settle nothing of a substantial character. The zeal of neither party in the controversy is likely to be modified by anything that the Judicial Committee may do. Unless moderate men on both sides in Ontario can meet and discuss the question in a spirit of mutual goodwill there will be no settlement.

Rural Credits in the States

A FEW years ago, and wide differences of opinion as to the best means of attaining this object, the United States Congress has come to a decision to establish a system of rural credits for the purpose of supplying the farmers with loans on mortgages at moderate rates. Separate bills that were under consideration in the two Houses of Congress were ultimately merged, with some modifications, and agreed upon by both branches. The aim is to supply the farmer, through a local loan association, with money at not more than six per cent and to obtain it from the general public by an issue of land mortgage bonds at five per cent, the difference of one per cent being assumed to be sufficient to cover the expenses of management. The Government are to advance the money necessary for the beginning of operations, but later it is expected that the system will be self-sustaining. The loans are not to exceed fifty per cent of the value of land and twenty per cent of the value of buildings. The system is very elaborate and complicated, calling for the organization of local loan associations, land banks and joint stock banks, all under the direction of a Government body to be called the Federal Farm Loan Board, composed of the United States Secretary, of the Treasury and four others to be appointed by the President, not more than two of whom shall belong to the same political party.

What may be called the conservative financial interests look upon the measure with much doubt. One of its sharpest critics is Mr. Myron T. Herrick, ex-Governor of Ohio, late American Ambassador to France, who was chairman of a commission which made a study of the rural credit systems of Europe. The New York Journal of Commerce takes this discouraging view of the measure:

"It is as far as possible from being a

simple and safe method of providing for loans on security of farm land and equipment, and will be costly to administer. It is an ill-considered measure, intended to meet a rather blind demand which could be better provided for by State legislation without the risk of being declared unconstitutional. Its chief object seems to be to bid for the farmer vote at the risk of great disappointment later when the system is in operation or fails to operate, as it is not unlikely to do, and to give employment to a good many persons in a Government bureau, a dozen Federal land banks and no end of loan associations. One particular objection is making State Governments and Federal Government possible stockholders in the land banks, and making those institutions depositories and financial agencies of the Government. If the Act takes effect, it will require a year or two to get in operation and a much longer time to put it to a test, with a decided prospect of failure in the end."

The Bill has been passed by both Houses of Congress and no doubt will receive the President's signature.

The "bid for the farmer vote" is not a thing to be condemned. In a country which proudly boasts that it stands for "government of the people, by the people, for the people," the "vote" of every class must be considered, and the farmers being the most numerous class it is right that efforts be made to meet their wishes. The operation of the new measure will be observed with much interest on the Canadian side of the border. Here we have the same problems to be solved, the same feeling among the rural population that the banking institutions are designed for the business of the city rather than for the farmers. Several of the Provinces have made a beginning in the direction of assisting industrious farmers to raise money on better terms than those which ordinarily prevail, but a more general movement of the kind is one of the questions that are likely to engage the attention of bankers and all others interested in public affairs.

Secret Meetings

MR. JUSTICE BRUNEAU held there was nothing in the law to compel the Controllers of the City of Montreal to throw open their meetings to the press and the public.

In view of this decision it is interesting to note that the British House of Commons owing to the stress of war conditions now has secret sessions. While this is a common practice in certain foreign countries it does not meet with the approval of critics of the Government.

In Germany, the ministers are not responsible to Parliament and debatable subjects are frequently referred to a Committee, in this way securing a secret session. The minister attends the private meeting of the Committee and gives the necessary information.

In the Netherlands there is constitutional provision for secret sittings of both Chambers and a number of such sessions have been held since the war began.

In the United States the rules of the Senate allow secret sessions to discuss matters of foreign policy.

And now war conditions have made it necessary to pass a regulation forbidding the pub-

lication of reports of proceedings of any meeting of the British Cabinet.

As Mr. Justice Bruneau pointed out in his judgment, if the Controllers had decreed that the press of the City had not the right to publish the discussion or discuss the acts of the Board of Control, or those of the Council, no British Court (unless by the authority of special legislation such as recently passed in England) would hesitate a minute to declare such a resolution illegal as being an infringement of the liberty of the press.

In 1865 Bagehot wrote as follows of the secrecy of British Cabinet meetings:

"The most curious point about the Cabinet is that so very little is known about it. The meetings are not only secret in theory, but secret in reality. By the present practice, no official minute in ordinary cases is kept of them—even a private note is discouraged and disliked. The House of Commons, even in its most inquisitive and turbulent moments, would scarcely permit a note of a Cabinet meeting to be read. No minister who respected the fundamental usages of political practice would attempt to read such a note. The committee which unites the law-making power to the law executing power, which by virtue of that combination is, while it lasts and holds together, the most powerful body in the state, is a committee wholly secret. No description of it at once graphic and authentic has ever been given. It is said to be sometimes like a rather disorderly board of directors, where many speak and few listen, though nobody knows." Mr. Bagehot, in a footnote, adds, "It is said that at the end of the Cabinet which agreed to propose a fixed duty on corn, Lord Melbourne put his back to the door and said, 'Now, is it to lower the price of corn, or isn't it? It does not much matter which we say, but, mind, we must all say the same.' This is the most graphic story of a Cabinet I ever heard, but I cannot vouch for its truth; Lord Melbourne is a character about which men make stories."

American Banking

A CHANGE in the Federal Reserve Act of 1913 has been recommended by the Federal Reserve Board, to provide for co-operation among National banks in maintaining foreign branches. The Act of 1913 allowed National banks to accept drafts drawn against transactions in foreign trade. The new bill makes similar provision regarding "documentary acceptances secured by shipping documents or warehouse receipts." This is a limited class of domestic acceptances. The pending bill also proposes to make it possible for foreign banks to sell their drafts on National banks in the United States very much as they now sell them on British, German and other European banks.

The Reserve Board has also recommended that National banks located in cities of more than 100,000 population may open branches in their own cities. There will be certain limitations regarding capital. The Senate Committee advocates the provision for the purpose of enabling National banks to compete with State banks, which in some States are permitted to have branches.

The United States will likely change the import duties upon coal tar products so as to protect the domestic dye industry. It is expected that within the next five years American dyestuff manufacturers will produce at least sixty-five per cent of the domestic consumption.