

Negotiations were in progress at the time the July coupons matured, for placing the road and equipment in a much better position, and improving its facilities for doing business. While this proposed re-organization was under consideration, the Sun Life did not formally claim for the July interest, but the new scheme falling through, they immediately took proceedings to secure their rights as bond-holders.

The opposition of the Tramway Co. to these proceedings was principally on the ground that the mortgages covered the property in existence at the time the deed was executed, and nothing more. The face of this bond, however, specifically mentions "property to be hereafter acquired"—though the Trust Deed is strangely silent on the point of future acquisitions. The contention of the Company was that the bond, in going beyond the mortgage, was illegally drawn, and that the holders thereof were not entitled to claim upon any extensions constructed or property purchased since the date of the mortgage deed.

His Lordship, the Chief Justice, does not seem to have concurred in these views, for his judgment rendered at Ottawa maintains the suit of the bond-holders, and gives them, moreover, immediate possession. The Insurance Company will, in the meantime, continue the operation of the road.

The capital stock is, of course, wiped out, and of the \$117,000 issued (out of an authorized \$150,000), the greater part is held in Montreal, although it is doubtful if any of it is in the banks. By this time, it has probably been weeded out of their lines of collaterals. The actual cash loss to the shareholders will hardly aggregate more than about \$40,000, as the original holders got their stock at a very low figure, and, after it was publicly listed, the few sales were made at prices ranging from 20c to 40c.

It is probable that an appeal will be taken.

#### THE PUBLIC REVENUE AND ITS COST OF COLLECTION: 1898, 1895.

Statements giving the total amount of revenue collected from each department of the public service, in any year, are apt to be quite misleading. More especially is there a liability to misunderstanding of the actual result of the financial working of those services which, like the Post Office, Railway, and Canals, usually absorb for working expenses a large part of their receipts, and even exceed that sum. The postal revenues always fall short of the expenditures, which arises from the extension of postal facilities to hundreds of districts and settlements, scattered all over the Dominion, from which the receipts are a small percentage of the cost of conveyance and distribution of letters, newspapers and packages. As the entire postal service is at the command of every individual in the country, and as there are few persons who do not, at some time, give work to the Post Office without paying its full cost, there is no public dissatisfaction felt

at the surplus of this department's expenses over receipts being taken from the general revenue of the country. In regard to railways, the chief offender is the Intercolonial, which does not pay for its current expenditures out of earnings. In the last few years, however, this line has shown better financial results, and the prospects are favourable for still further improvement. This railway is essential to the unification of Canada, and the service it performs in this connection is surely well worth to the country at large the moderate sum taken from the general revenues to eke out its income far enough to cover the annual outlay. As to our canals, we do not think any business man would deem it wise to so far increase their tolls as to make their financial returns more favourable, as such a policy would almost certainly fail in its object, and do the transport business of Canada very serious damage. In all those services the public only demands that the utmost economy be shown in their management; when that is secured there is no disposition to begrudge whatever outlays are required to make the services of the Post Office, the Government railways, and the Canals as efficient as possible, and thereby most helpful to the business of the country.

The following statistics show the income and the expenditure of the principal departments of the public service for the years 1895 and 1898:—

Department.	Receipts.	Payments.	Receipts.	Payments.
	1898.	1898.	1895.	1895.
	\$	\$	\$	\$
Customs.....	21,704,893	971,320	17,640,466	917,632
Excise.....	7,871,563	468,320	7,805,733	471,865
Post Office.....	3,527,810	3,575,412	2,792,790	3,593,647
Dom. lands.....	975,792	91,296	167,870	129,727
Inspc. of Weights, Measures, Gas, and Electric Light....	72,100	90,616	56,866	98,173
Totals.....	34,152,158	5,196,964	28,463,725	5,211,044
Other services.....	6,403,080	33,635,556	5,514,404	32,920,961
Total receipts and payments on con- solidated fund act.	40,555,238	38,832,524	33,978,129	38,132,005

The comparison in above table brings out the facts that, the public revenue from Excise, Post Office, Dominion Lands, Inspection, in 1898, was greater by \$1,625,006 than in 1895, and the cost of collection, or total current expenses, was \$67,768 less than in 1895. In regard to Customs, the receipts in 1898 exceeded those of 1895 by \$4,064,427, and the cost of collection was greater by \$53,698. Taking those five departments together, their aggregate income was collected at a cost in 1895 of 18.30 per cent., and in 1898 at 15.21 per cent. Of course, an expansion of revenue does not necessarily involve increased cost of collection, but, it is so plausible an excuse for such increase that the Government is to be commended on the above results as shown by the Public Accounts for 1898 issued last week.