

authorize the commission to order the collection of higher rates, when those being received were obviously below the paying point, might fairly be asked. The commission does not deem it any part of its business to afford relief to railway companies in this way. The real question is how far interference should go, where it should begin, and where it would end? There can be no doubt that rates so low as to be ruinous to the companies often prove, in the end, injurious to the public, by which they are generally received with joy. When the object is to kill competition by the destruction of one competitor, low rates are an ill omen, and presage disaster in the form of high rates employed by the shattered survivor in the rate war. In ordinary trade such competition cannot be interfered with, if freedom of action is to be allowed; but in many respects railway companies, which are the creatures of the Legislature, invested with special privileges, are subjected to a treatment different from that accorded to ordinary trade. On the principles of the Interstate law there could be no difficulty in the legislative authority interfering to put an end to ruinous competition which, if continued till one of the competitors is driven from the field, must deprive the public of the benefits of such moderate and reasonable competition as is not incompatible with the maintenance of a fair profit. In every department of business destructive competition is injurious to the public welfare. It is the weapon on which all monopolizing trusts and combinations, by whatever name known, rely for the destruction of competition. It would be out of the question for the Legislature to attempt to regulate the prices of commodities; but the cases of destructive competition carried on by conglomerate companies, when the purpose is clear, are outside the category of ordinary trade. In certain respects, it is quite clear that they may be subjected to exceptional rules; and if the principles of the Interstate law are sound, they would warrant the prohibition of excessively low as well as of excessively high rates.

The prohibition of pooling is thought to have a tendency towards consolidation; but it does not appear to have actually produced that result, and if it did, the same authority which prohibits pooling could equally prohibit consolidation. In fact the latter, on a large scale, would be more to be dreaded than the former. The anti-pooling clause encounters much general objection, and it is not improbable that an early attempt will be made to get rid of it, with what success remains to be seen.

There have been indications in Congress that an attempt will be made to subject the Canadian railways which have American connections to the Interstate law. Of course this cannot be done directly, though it may be done indirectly. If the Interstate law is to be maintained, and there is little doubt that it will, we should not be surprised to see a serious attempt virtually to subject to it Canadian railways which have American connections.

THE ST. LAWRENCE ROUTE.

Some weeks ago we published a *resume* of the export of provisions, breadstuffs, and other merchandise at the port of Montreal, containing official tables showing the marked decrease of exports up to end of November, compared with former years. Since then the statement of the Corn Exchange Association to a late date has been issued, and has attracted much attention in that city as well as elsewhere. The figures herein given do not differ materially from those of our article, but we repeat them, as forming interesting statistics.

The export of butter, it appears, amounted to only 16,528 packages this year, against 60,328 in 1887, a decrease of 43,800 packages. In cheese, on the other hand, no less than 1,134,349 boxes were sent forward, against 1,104,065 last year, an increase of 30,284 boxes. Probably our butter was no worse in quality than before, but more was retained for domestic consumption, and, besides, prices abroad were not encouraging. Not all the cheese and butter was Canada-made, but the great bulk of it was. The manufacture of cheese continues to increase, and is proving a profitable industry to both dairyman and factoryman. The export of apples has been very large; the quantity sent forward being 261,692 barrels this year, against 98,134 last, an increase of 68,558 barrels.

The falling off in breadstuffs, as we have already seen, is large. According to these authentic figures, the movement of wheat alone fell from 7,732,848 bushels in 1887 to 2,033,325 bushels in 1888. The total export movement of all kinds of grain, which amounted to 11,372,779 bushels in 1887, fell off to 5,658,227 bushels this year, a decrease of over fifty per cent. All grains, with the exception of Indian corn or maize, showed a decline, the quantity of that article being 2,721,000 bushels, as compared with 1,181,000 bushels in 1887. In seeking for reasons which shall account for the altered state of things, the circumstance to which most weight is attached is the break in the Cornwall canal, which closed navigation on October 10, and reduced by one-fifth the season of water-carriage by the St. Lawrence route. Flour export, too, is reduced, although the flour shipments make an improved showing upon wheat, due to the opening of the "Soo" route by the C. P. Railway and to the enterprising policy pursued by that company. While wheat fell off fifty per cent., flour fell off only fifteen per cent., the quantities being 585,602 barrels in 1888 against 677,456 barrels in 1887.

The movement of provisions from Chicago and other Western centres shows a falling off in some articles and an increase in others, the balance being about even with last year. In this term is included such things as lard, tallow, bacon, hams, canned meats, pickled meats, etc. All these are valuable freight to both the inland and ocean carrier, the volume of which is rapidly increasing, the St. Lawrence route being better fitted for the carrying of such perishable commodities than the rail routes or canal route further south.

The Exchange's statement, in the opin-

ion of the *Star*, should be supplemented by adding the exports of lumber. The total export for 1888 has been 4,399,268 Quebec standards, equal to 120,999,882 feet, against 4,749,196 Quebec standards, equal to 130,602,923 feet in 1887, a decrease for 1888 of 9,703,041 feet. The falling off is entirely resultant from the condition of the South American trade, there being a great lack of vessels to carry forward the lumber throughout the season.

THE MONTREAL TELEGRAPH CASE.

When people fail to get an anticipated dividend or stipulated rent, the disappointment sometimes makes them angry. But anger does not help them, though it may obscure the judgment and prevent them taking a full and complete view of the situation. Something of this kind has happened, in the case of the Montreal Telegraph Company, which had leased its lines to the Great North-Western Telegraph Company at a rental of eight per cent. on the Montreal Company's capital, with a guarantee of payment from the Western Union Telegraph Company. For seven or eight years the rent was duly paid; but now, it seems, it is no longer earned, but there is a serious deficiency.

Under these circumstances, but not altogether in consequence of this decline of revenue, the Great North-Western Telegraph Company asks a reduction of the rent to six per cent. The lessee complains that it has not been maintained in the enjoyment of the property leased by the lessor. It says that its rights as lessee have been encroached on by a rival company, the Canadian Pacific, which has erected telegraph lines along certain railways the pre-existing telegraph lines along which were included in the lease to the Great North Western Telegraph Company. It says further that, at the time this encroachment began, the lessee called upon the lessor to resist and maintain it in the enjoyment of its rights. This is a duty which the Quebec Code throws upon the lessor, and which, there is no dispute we believe, has not been performed.

The application of the lessee not having been favorably received by the lessor, the former has appealed to the tribunals to do justice in the premises. Critics who assume that the Montreal Telegraph Company has performed all its duties and is wholly in the right, ignore the actual condition of the dispute as stated above. The question between the lessee and the lessor is a legal question, and is to be submitted to a judicial arbitrament. A reduction of rent is asked not as a favor but as a right. The Code of Quebec provides a remedy for the disturbance of quiet possession of the property leased: "If," it reads, "the disturbance be in consequence of a claim concerning the right of property, or other right, and upon the thing leased, the lessor is obliged to suffer a reduction in the rent proportionate to the diminution in the enjoyment of the thing, and to pay damages according to circumstances." Abuse of the plaintiff is plentiful enough, but will not assist in arriving at a decision. It would not be proper to enter into a dis-