

than those already overcome, last week threatened an interruption of the traffic. Mr. Upper, who, with three others, recently entered into an agreement with the Minister of Public Works to equip the Pembina Branch and operate the road until the main line is open to Thunder Bay, had formerly a partner named Murphy, with whom he took the contract for the tracklaying, etc., of the road. Mr. Murphy sold out to a Mr. Willis, a railroad man, who, rumour says, is in fact an employe and representative of the St. Paul & Pacific Railway, of which the Hon. D. A. Smith, and Mr. George Stephen, of Montreal, are directors and stockholders. Mr. Willis, it is understood, claims that his partner (Mr. Upper) agreed with the other parties to equip and operate the road without his knowledge or consent, and that the arrangements made may seriously interfere with the work of completing the construction contract he and Upper are mutually interested in. At all events, Mr. Willis had an interview last week with the Minister of Public Works, desiring the cancellation of the agreement, if possible, and Mr. Upper, with one of his partners in the running of the road, reached the capital a day or two after, to represent the other side of the case.

So far as the business difference between the partners is concerned, the matter has little public interest; but, when Mr. Willis is regarded as a *quasi* agent of the St. P. & P. R. R., the importance attaching to the situation is greatly enhanced. The company in question probably understood from the Hon. Mr. Mackenzie that they were to operate the Pembina Branch in connection with their own system of railways. Doubtless some disappointment has been experienced at other parties having been permitted by the new Administration to take hold of the undertaking. In justice to both the late and the present Government, it is important to place the matter in a plain light. According to an agreement (recently laid on the table of both Houses of Parliament), between Her Majesty, represented by the Minister of Public Works, and Mr. George Stephen, of Montreal, for himself and the bondholders of the St. Paul & Pacific Railway Company, dated the 3rd August, 1878, the privilege granted the latter of operating the Pembina Branch was only of a temporary character, as the agreement obviously contemplated the Canadian Government equipping and running the road themselves at the earliest opportunity. Indeed, the 5th clause, which confers the temporary privilege upon the company of running the road, commences: "That until the Government line has been equipped with the neces-

sary rolling stock, etc., so that the same may be worked by the Government, the St. Paul & Pacific Railway," etc. Then the eleventh clause provides that, "The Government line being equipped with the necessary rolling stock, etc., Her Majesty may at any time thereafter, by a written notice to Mr. Stephen, or the company, terminate the privilege given to them by the fifth clause, either in whole or in part, and that after such termination the Government line shall be worked efficiently."

In strict accordance with the agreement, therefore, Dr. Tupper has provided for the equipping and operating of the road by his arrangement with Upper & Co., and the equipment has to be completed by the 30th inst. This accomplished, it only remains for the notice to be given, and then, should the agreement be fulfilled, the contracting parties are bound to interchange traffic at the boundary, and not to interchange freight or passengers with other railways or steamboats, except by mutual consent.

Notwithstanding the explicit terms of this agreement, and the fact that the Canadian Government has acted entirely within it, information has reached Ottawa that the St. Paul & Pacific are determined either to obtain the running of the Pembina Branch themselves or to break the agreement entirely. It is reported that they have made arrangements already to convey freight and passengers from St. Vincent to Winnipeg by steamboat, having acquired timely possession of the fleet of the Red River Transportation Company by a bit of strategy. Supposing they carry out the line of policy suggested by these preparations, what is then the situation?

St. Vincent is an unbuilt and uninhabited "city" situate in the midst of a swamp, two and a half miles south of the thriving town of Emerson, which is on the Canadian side of the boundary. Should the trains run no further than St. Vincent, Canadian immigrants bound for Manitoba will be landed in water up to their knees, without any protection whatever, there to await the tardy departure of the boat to convey them to Canadian soil. What other obstacles may be thrown in their way we hesitate to speculate upon; but no doubt the agents of land-holding companies in Dakota and Minnesota will be active amongst them. If the intending settlers are unable to take through tickets to points in Manitoba, difficulties will arise in landing their stock and effects. At any rate, if taking tickets only to a destination in the United States, the emigrant from Ontario will be obliged to deposit 20 per cent. in cash of the value of his property at the U. S. Custom House at Port Huron or Detroit. Thus there ap-

pears to be danger of our having the door into Manitoba locked in the faces of her intending settlers, and of the key being deposited in the pocket of a not too friendly rival.

Messrs. Upper and Willis had an interview with the Minister of Public Works on Wednesday week, and the Hon. Dr. Tupper was so far successful in adjusting the personal differences between the partners, that they left the same evening for St. Paul in company. From what can be ascertained, a temporary basis of harmonious working was agreed on, and the two contractors were to see Mr. J. J. Hill, of the St. Paul & Pacific, on their arrival at the Minnesota capital, to negotiate for a continuance of the friendly interchange of traffic. There is also a proposition that Mr. Upper and his friends interested in equipping and running the Pembina Branch shall buy out the interest of Mr. Willis in the contract for construction. On the principle that, if partners cannot agree to work together, it is better to agree to part, the separation promises good results; for it would certainly be well that the contracts for construction and operation should be in the hands of a single firm.

THE PROPOSED NEW BANKRUPT ACT.

The sub-committee's report has been submitted to the committee appointed by the House to consider the insolvent law. The draft bill submitted proposes a great many changes in the law of more or less importance. The most radical change suggested is, as we foretold would be the case, with reference to discharges. The suggestion is to abolish compositions entirely, and also to take away the right of the courts to grant a discharge. This reduces the means of obtaining clearances, to a consent discharge from creditors which requires to be confirmed by the Court.

With reference to this sole means of obtaining discharge it is proposed to require a consent from four-fifths in number of all creditors of one hundred dollars and upwards representing four-fifths in value of all claims, whether under or over one hundred dollars, and whether proved or unproved, excluding the relatives of the insolvent in all cases.

This would be a sweeping change indeed, and would be almost equivalent to leaving it entirely to the creditors, allowing each one to discharge for himself or not as he chose. Some would prefer a measure going the whole length, while many will think the present proposal too great a departure. It is undeniable, however, that something