

ships came into port; in 1905, 786; in 1906, 787; 1907, 740; 1908, 739. It will be noticed that the number has varied but little each year. In ten years' time it is safe to assert that the number of ocean vessels patronizing Montreal will have increased considerably. The fourteen new sheds which have been placed in the harbor works are only one of the many progressive touches given to the port. On ten of these the grain conveyer extends along the roof, so that grain may be loaded into ships without their requiring to move from their berths or interrupting other loading or unloading. In 1907, the Harbor Commissioners' elevator handled one million bushels; in 1908, it handled nine million bushels. It is fortunate that the Commissioners recognize the possibilities of the port of Montreal. Undoubtedly it will become one of the most important ports on the North American continent.

### HIGH FINANCE IN QUEBEC PROVINCE.

The financial garb of Quebec Province is acquiring spots. Several prominent municipal bond dealers, for well-known reasons, will not tender for the debentures of certain Quebec municipalities. Many mutual fire insurance companies, chartered in that Province, have helped stain the provincial escutcheon; an official investigation is being made into their affairs. The Royal Commission, now investigating municipal matters in Montreal, are unearthing some bad looking happenings. And worst of all is the St. John bank cauldron of high finance.

Had an institution other than La Banque de St. Jean been concerned, fear would likely have been created regarding the safety of Canada's banking system. As it is, the evidence at the trial shows a necessity for a change in the law as it affects inspection. Had the duty of inspecting the bank's books and judging its position been entrusted to an independent auditor or to an auditor, say, of the Canadian Bankers' Association, the jelliness of the Bank of St. John's would have quickly been observed.

The trial occupied three weeks. It was dramatic in at least two directions—in the general evidence and in its suicide feature. The latter must surely be regarded as the gallery play of a weak and beaten man. Two days before the verdict was given, the ex-president of the bank put a bullet into his foot. The science of anatomy requires some amendment before a real attempt at suicide and a shot in the pedal extremities can be bracketed. Judge Monet rightly took a serious view of this incident. It was either a crime against law and society, he said, or else the most criminal farce ever perpetrated in that part of the country. Thus the by-play failed.

The evidence proved that false returns were made to the Government. The amount involved was approximately five hundred thousand dollars. That was in the shape of worthless notes, past due bills and bills payable which had been discounted by the banker, his relatives and their friends. The cash went into pocket-holes which should have been closed. In the reports made to the Government, and set down month by month in the official bank statement, all this worthless paper was labelled assets. A curious robbery occurred at the Napierville branch of the bank. The cash there was in good shape; the accounts of the branch were correct. Mr. Roy, the bank's president, personally learned of that condition one day. The bank was robbed of five thousand dollars the following evening. It was an easy book matter to handle according to Banque de St. Jean ethics. When the list of current loans was prepared, an item of five thousand dollars was included represented by a note of the bank itself. The loss was thus covered. The evidence showing how illegal use had been made of the

bank's funds to finance various private interests was a revelation. The bookkeeping methods were, to say the least, extraordinary. The Crown naturally centred its case upon the making of false returns to the Government. Five years' imprisonment was the punishment.

The crash will hurt the depositors badly. Most of them are farmers and working people. Men well versed in Canadian banking matters have often said that this little French bank was an undesirable. Suspicion for years past has been attached to its mention. Yet the Bank of St. John's, almost a family institution, continued a journey along the criminal road, without let or hindrance. Returns to the Government were compiled with no more regard to honesty than was actually needed to serve the bank's purpose. The personnel of the bank relied on the truth of the adage that figures cannot lie, remembering meantime that liars can often figure. The rendering, month after month, of false returns to the Government was not only a crime. It was cunning audacity.

One of the most surprising features is that even though public suspicion clung to the institution, many of its chief officers were allowed to wallow to their necks in the thickest variety of financial mud. Nothing was done until the inevitable came from around the corner. One is almost tempted to assert that it should have been possible for authority to label the doors, "This bank is closed by order." That is no word for undue Government interference in the operation of our banks. The St. John's institution might and should have been closed indirectly by the Government and directly perhaps by the Bankers' Association. The fact remains that the bank did just as it pleased, breaking laws all the time. No one stepped in. No one outside was supposed to know. It may have been thought better to allow the bank to break its own neck rather than the doctor should stop its respiration.

### EDITORIAL NOTES

The Province of Quebec can now claim amalgamation honors. It was sponsor for the asbestos merger and the brewery merger. Now with Mr. Rodolphe Forget as the moving spirit, the electric, gas and street railway companies of Quebec city are likely to amalgamate with a capital of eight million dollars. Details of this scheme are being awaited with interest, for, with the organization of the company, a new issue of capital stock is to be made.

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They have a sugar scandal in Japan; and it is anything but sweet. The Orient has often been congratulated upon its gradual raising to the platform of high Western civilization. That it has about reached that distinguished platform is proved by the fact that twenty members of Parliament have been arrested, together with six directors of the sugar company, which had hopes of nationalization. The charges against the directors are fraud, falsification of private documents, and disgracing their office. The fact that under arrest are many members of the Japanese Diet indicates that a change of it is necessary.

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The compilation of a new tariff of grain rates for all Alberta points is another tangible step to the Pacific coast export of wheat. It is known as a special proportionate tariff on grain and grain products in car loads for export to Africa, Asia, Australia, Europe, Fiji Islands, Mexico, New Zealand, Philippine Islands and South America. The tariff does not apply to the United States or Alaska. On all C.P.R. stations in Alberta and stations on the Alberta Railway and Irrigation Company to Vancouver wharf the new rates will go into effect on Tuesday. This seems to be but the beginning of a new and important industry for Canada's Pacific coast.