

tage of Canada, or which is not subject to the legislative control of this Province.

Then, unless the Lieutenant-Governor-in-Council has otherwise declared, all powers, rights, privileges, and franchises conferred upon such first mentioned company by letters patent or by any general or special Act of this Province, shall thereupon cease and determine, and every municipal by-law passed and every agreement entered into with any municipal corporation authorizing such company to carry on business or granting any franchise thereto shall thereupon become void and be of no effect, and such company shall forfeit all claim to any bonus or other aid granted by any municipal corporation. Provided that nothing in this section contained shall affect the validity of any debentures issued by a municipal corporation for payment of any such bonus in the hands of a bona fide holder for valuable consideration.

(3) Notwithstanding anything in any Act contained, no municipal corporation shall hereafter enter into any contract with or pass any by-law in relation to any such railway or public utility company, which has been declared to be a work for the general advantage of Canada, or which is not within the legislative jurisdiction of this Province, until the Lieutenant-Governor-in-Council has approved of such by-law or agreement, and every by-law passed or agreement entered into in violation of this section shall be utterly void and of no effect.

Assuming that Dominion charters have been obtained for the main purpose of avoiding governance by a body set up by duly constituted authority for the avowed purpose of securing faithfulness to contracts lightly made; no fault is with the Ontario Government for dealing drastically with evaders of the law. It is time for the friends of public companies to speak quite clearly about the most vital of all the factors of such a situation as has been developed. It is asserted that the Ontario measure will diminish the supplies of British capital for Canadian development. It is easy to cry "Wolf! wolf!" when there is no wolf; and scare people away from examining quietly the real posture of affairs.

The Ontario Government is a Conservative Government. Most British capitalists are Conservatives, politically as well as financially. It will not do to write down British investors in Canadian enterprises as so ignorant of this country that they will not ask why a Conservative Government, that has no natural or acquired love for socialistic theories, feels compelled to take very strong measures to checkmate the manoeuvres of companies holding public franchises. The old-fashioned Britisher, who has pockets full of money, has a wholesome respect for obligations entered into under the King's seal, in any part of the King's dominions. When he finds a Conservative Government taking unprecedented action, he is more likely to inquire closely into the concerns the Government is troubling about, than to believe that Ministers of the Crown are conspiring against the prosperity of their native land.

A company that sells tea, or ribbons, or tomatoes, cannot succeed unless it retains the goodwill of its customers. Customers' satisfaction is the essence of dividends. If a company enjoying a monopoly of some public service is at odds with its customers—well, the public may be generally stupid; but there is no great difference between the public as purchasers of tea and the public as users of electricity. The director of a public utility company who ignores public opinion is no wiser than the director of a private supply company who says in effect, "The public be damned." The unwise private director finds his order book empty. The unwise public director finds the statute-book filled with Acts constituting Railway Boards, and preventing his escape from control by the hand which gave him being. In private business the man who succeeds best is he whose word is his bond. The public utility company with the most durable lease of life is that to whom Railway and Municipal Boards are not even inconvenient notes of interrogation. The Ontario Government is the natural

trustee of the customers of companies to whom it has given charters.

But though it is natural for the Ontario Government to want to hit those who flout the King whenever he appears in the guise of a Lieutenant-Governor, it does not follow that the way to serve the particular good of Ontario, and the general advantage of Canada is to put on the semblance of enmity between Toronto and Ottawa. The trouble is not an accident of party supremacy in either capital. Whenever Sir Wilfrid Laurier approaches Ontario, however testy Ontario may be, he employs the wooing note. The trouble is inherent in the Federal-Provincial relation as constituted by the British North-American Act. That instrument was devised to meet a state of things very different from that which obtains forty years afterwards. Although British Columbia is over three thousand miles away from Nova Scotia, there is greater homogeneity in Canada than there was when Confederation was achieved, and the West was the Great Lone Land.

Does anyone suppose that if Confederation were being worked out now, there would not be a uniform joint-stock company law in all the provinces? A natural complement of "Canada First" is "Canada Whole." The incidence of departmental control in a wide-spreading business changes with changed conditions of production, transportation, intercommunication. There is nothing necessarily cast-iron about provincial rights. Would provincial rights be infringed if representatives of all the provinces agreed upon one joint-stock company law? Joint-stock company law is the greatest safeguard we have against dishonesty in large business. If agreement on the provisions of the law, why not agreement upon the steps to be taken to compel observance of the same?

A serious blemish on the Ontario Bill is an assumed antagonism between the Parliament of Canada and the Legislature of Ontario. Such legislation should have been preceded by discussion in both Houses, which might have occupied some of the time spent in nauseating personal recriminations, and the exaltation of contemptibilities into matters of moment. There should have been conference between Sir Wilfrid Laurier and Mr. Whitney. Last year's Inter-Provincial Conference which devoted itself exclusively to wheedling more money out of the Dominion Treasury, ought to be an active solvent in such an affair as this, when the business interests of the whole country are intimately concerned. Apparently the politicians have to be taught that the Provincial and Federal Governments are allied departments of the same high and fateful enterprise. They need to learn that the general advantage of Canada rests in efficiency of administration. Upon which much improving exhortation might be delivered.

### PUBLICITY AND SECRECY.

There appears to be a growing disposition on the part of the directors of large companies doing business both in Canada and the United States, to take the public into their confidence more than formerly. This tendency will certainly be welcomed by the public generally, and more particularly by the brokers whose business it is to buy and sell the securities of these companies, and whose opinion is constantly being sought regarding their value.

On general principles, it would seem that joint-stock companies which have to rely upon the public for their capital, should be willing to keep the public posted as to the condition of the company. Yet the utmost that many of the institutions can be prevailed upon to do, is to issue an annual statement.

The promoters of these companies, regarding whose prospects the promoters had much to say when

the organizations were willing to pay thousands and advertising, such money is obtained here may be that every few wonderful occurrences twelve months the public bearing upon the situation.

Many companies to their business to a none of the public's business.

These replies, as publicity shows, are holders nor the public give out such information companies an advantage advertising a company public to know, period, would in all probability advantages. Details can be withheld.

As to whether or know what is going on the character of the done for seeking information companies as are regularly. The very listing of the public. If it is for buying and selling of has no right to inquire is a weak answer. If fuller information is purchasers. A speculator anything on an exchange when he buys off the stock must show intrinsic to dispose of it. To know, is to drive an enemy may enter.

There are at present adian exchanges about to the information showed a certain result of the Monetary Times with a broker, a customer one of these stocks. not recommend it. nothing in its favor. mation which would present value, and he such as that for an which is given frequently reputation and their is depressing to the are doing a good business greatly strengthens the ing a poor business.

Traction companies deal of information. obtained almost every their earnings not less. Such is the influence are selling higher than fusing to make these ly damn its stock. amongst railways, as all manage to keep pr shown. The United out its earnings, and e It is not being injured this.

Publicity advertising valued by the country