The net expenditures on the construction of harbor enlargement and improvement works and charged to capital account are, we are told, as follows: 1898, $109,537; 1899, $203,202; 1900, $276,600; 1901, $360,024; 1902, $591,117; and to July 1st of the present year, about $250,000. Here is a yearly-growing expenditure, amounting since 1897 to at the present time $1,790,000, which should show with what determination the Montreal authorities are proceeding to the end that the port of Montreal may be equipped to do the great work that lies before it.

CURRENCY EXPANSION.

It is proposed to increase the paper currency of the Canadian Government from $20,000,000, its present limit, to $30,000,000, the larger amount to be secured, as at present, by a gold reserve of 25 per cent. for its redemption. A bill to effect this change is brought into the House by Mr. Fielding, the Finance Minister. There is not only justification but necessity for the change, because the requirements of the financial situation have of late years compelled the limit of $20,000,000 to be exceeded largely, to the extent of some $16,000,000 indeed, and in that case dollar for dollar in gold had, under the law, to be held by Government for the redemption of the extra notes. As the law requires that not less than 40 per cent. of the cash reserves of the banks must be kept in Dominion notes, any expansion of business causes increased demand for these notes on the part of the banks. But there is a great difference between the holding of a gold reserve of $16,000,000 against an extra issue of $16,000,000 and holding 25 per cent. against the extra issue. Under the new arrangement the $30,000,000 of Government notes issued will be secured by $7,500,000 of gold. The large quantity of gold formerly held against the extra issue, and now set free, is to be set aside, we understand, as a reserve against the Government Savings Bank deposits, which are now some $58,000,000. The move is a prudent one, for it is the part of wisdom to be able to exhibit some such buttress to the financial structure as this reserve implies.

ONE REWARD OF SPECULATION.

According to a St. Thomas telegram of recent date the ex-manager of the wrecked Elgin Loan and Savings Company, George Rowley, was brought on Saturday before the local judge, charged with forgery, theft and perjury, and pleaded "not guilty." The charges against Rowley embrace thirty-six instances in which he appears to have used other people's money as his own, to carry on his stock gambling operations. He began his peculations, it is charged, eight years ago, and continued them till the present year. The list of his irregularities contains only one case where he wronged any depositor in 1896, but in the next year he was bolder, or else more needy, for he is charged in 1897 with $12,589. Year by year his peculations grew, as alleged, till in 1900 and 1901 they reached $9,300 and $12,850. But in 1902 the pace must have become furious, for in that year there are instanced twelve cases amounting to $20,500. The total is placed at $67,185. No application was made for bail. Rowley is also charged with having in September, 1902, forged a document in connection with a bank transaction. Also with having forged a savings bank deposit receipt in the name of M. Laidlaw for $1,500 and using the same for his own purposes. Furthermore, with having on the 15th of February, 1903, sworn falsely to a statement of the company's assets and liabilities, to deceive the public.

So much for Rowley, the manager. But there is room for the belief that the directors of the Elgin Loan Company are blameworthy in that they not only had some knowledge of their manager's stock-jobbing operations but seconded them. One transaction is mentioned wherein they consented to a mortgage being accepted by the company for $25,000 on Rowley's house—worth perhaps $5,000—as collateral security for stock or bonds of a certain corporation in whose securities the loan company had no power, under its charter, to deal. This transaction will, no doubt, be thoroughly investigated. And if it shall be found that the president or any member of the board concurred in thus "whipping the devil round a stump" after such a fashion as is above outlined, some means should be found of punishing him. It is useless for legislators to frame and promulgate safeguards for the depositors or shareholders of a loan company if the laws they have framed are transgressed with impunity by managers and directors.

TERMINATING LOAN COMPANIES.

Correspondents have sent enquiries recently, as they have done many times before, as to the standing and probable lastingness of certain loan associations doing business in Ontario and elsewhere. One or two of the writers also ask for an explanation of the methods of terminating associations. (This explanation they seek, curiously enough, after they have paid in their money and presumably have agreed to all the rules and by-laws of the concern). And the whole burden of their cry appears to be: "Is our money safe." We answer, we do not know; it depends on the management of the company.

During the recent session of the Ontario Legislature, Mr. Downey, M.L.A., of Guelph, introduced the subject of forfeitures, that is, loss of money by the subscriber failing to comply with the company's rules. Mr. Downey asked for a definition of "terminating shares." He declared that people were induced to pay in their money into certain companies and when through stress of circumstances their payments ceased, they lost all they had deposited. The transaction, he declared indignantly, was founded on false business principles and intended to lure the unwary and ignorant. And then he gave an instance where one corporation gained $72,000 in three years through forfeiture of savings. This, he contended, showed the necessity of immediate action, and he asked if the Government were doing anything about it. In reply, the Attorney-General, Mr. Gibson, said that the system of terminating shares, with fines and forfeitures for non-compliance with a company's rules, was capable of being abused. He averred, however, that the Government was in no way responsible for the manner in which these companies carry on their business. He might have added, though, that the Government has a duty to see that the managers of such companies do not violate the law, and are not passing rigid and grinding by-laws which exceed the powers which an Ontario charter gives them. Mr. Gibson further stated that these companies were intended to encourage thrift, and he was disposed to lay the blame for any dissatisfaction with rules upon the personal canvasser. "Encouraging thrift" is all right: it is an excellent thing to encourage thrift. But the process of so-doing here in question reminds one of the method described by Tom Hood, of a butcher who was somewhat brutally belaboring a lot of sheep to get inside the gate of a certain pen to be killed. Being remonstrated with by a philanthropic bystander, who urged the butcher to "try con-