

to determine the sale, and that their decision could not be overridden except by an extraordinary resolution.

The Master of the Rolls, in giving judgment on 22nd March, quoted the articles of association, which empowered the board *inter alia* "to sell the lease, abandon or otherwise deal with any property, rights, or privileges to which the company may be entitled, on such terms and conditions as they may think fit," and, further, gave them all the powers of the company except so far as those powers were expressly required to be exercised by the company itself in general meeting. There was, however, the following limitation to their general powers:

"Subject, nevertheless, to the provisions of the statutes and these presents, and to such regulations not being inconsistent with these presents, as may from time to time be made by extraordinary resolution."

His Lordship held that, in these circumstances, it was not competent for an ordinary majority of shareholders to alter the mandate originally given by the articles to the directors. He, further, controverted the idea that this was a mere question of principal and agent. In a sense, the directors were agents, but it was unfair to say the majority was the principal; the minority had also to be taken into account. The mandate to the directors was the mandate of the entity made up of all the members, and if that mandate was to be altered, it could only be done by the machinery provided by the articles of association. The appeal against Mr. Justice Warrington's decision, therefore, failed.

**PROMINENT TOPICS.**

SAN FRANCISCO EARTHQUAKE AND CONFLAGRATION; FIRE LOSSES SAID TO BE GREATLY EXAGGERATED; BANKING FACILITIES RESTORED; RAILROAD AND TELEGRAPH SYSTEMS WORKING; AMPLE PROVISION MADE FOR THE NEEDY; CITY TO BE REBUILT ON A LARGER SCALE; AMPLE FUNDS BEING PROVIDED.—The above summarizes the situation at San Francisco. The fire losses which have been estimated at anywhere from \$150,000,000 to \$250,000,000 will, we believe, not exceed \$75,000,000. There has been, as far as we can learn, gross exaggeration. The majority of the insurance is carried by strong British offices which are well able to pay their losses without creating more than a passing ripple.

THE STATEMENT MADE THAT THEY ARE SELLING THEIR SECURITIES and thus causing a slump on the exchanges in New York and London, is, we are credibly informed, without the slightest foundation. There is plenty of money in the banks, and the companies instead of selling, made arrangements with their bankers to supply the needed funds, putting up their securities where necessary as collateral.

It is quite reasonable to expect that some securities will be sold, but the markets are well able to absorb them without creating a flutter.

THE PRESENT CONDITION OF AFFAIRS is not creditable to either the banks or those who have assisted in creating it. In New York it would look as if the banks were assisting the bears. Of course we know this is not correct, but there is no good reason for the present panicky situation. True, the business of the whole country is so prosperous that large amounts of money are required in this connection. On the other hand, the withdrawal of funds for San Francisco is of a temporary character, for within a few weeks these funds will permeate through trade channels, and finally find their level in the banks. The building operations will give an impetus to trade and all the money that is taken out will flow back through the channels of trade, but with the billions of money in the country and in Great Britain, \$100,000,000 is simply a bagatelle. Therefore some other cause is to be looked for upon which to place the responsibility for existing semi-panicky conditions. What are they and who are responsible?

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NEW YORK MONEY RATES this week are again so high as to be a striking contrast to those in Europe. While the New York rate is running up and down eccentrically from 8 to 12 per cent, the London rate is steady at 3½, Paris, market rate, 3, Berlin 3½, Amsterdam 3¾, Brussels 3½, Vienna 4¼.

These contrasts look as though New York were not in touch with the great money markets of the world, but that its money reservoir was like an isolated pond dependent on the small streams and on the weather of its immediate locality.

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WHO ARE THE MANIPULATORS AND WHO ARE THEIR BACKERS?—There is a good deal of talk in New York of holding an investigation into this matter, and bringing in legislation if possible to prevent what may some day create a disaster. True those having money as a rule come along and stop matters just before they arrive at a crisis. Surely there is no justification for lending aid or in any way assisting those who bring about this unnatural condition of affairs, and for which there is no real cause. It should be remembered that the public suffer losses of millions of dollars through these manipulations.

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THE BANKING FACILITIES AT SAN FRANCISCO have been restored, and depositors are being paid, and can freely make use of their funds to meet their requirements. The vaults of the various banks have, we understand, stood intact, including those of the Canadian Bank of Commerce, the contents of which were uninjured.

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RAILROAD, telegraphic and street railroad services are again in full operation.

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FUNDS Poured in from all over the States in a most profuse manner, and so much so that outside aid was not accepted, which, however, we think was not judicious.

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THE STATEMENT HAS BEEN GIVEN OUT that there are \$200,000,000 available for rebuilding San Francisco. Of course, these \$200,000,000 will not be required for many a day.