

duty on imported rye, for  
than that on corn, being ten  
less of this grain is im-  
porting spirit is considerably

d.  
in fermentation, inasmuch  
quality the starch of other  
gar, so that the yeast used  
into spirit. The quantity  
may be as high as 10 per  
cent this a special tax of one  
or 54 cents per bushel, must  
be paid.

distillation and rectification  
have to be converted into  
one of the chief factors when  
results. All distilleries must  
in which, an import duty of  
coal, or fourteen cents on  
constituting a most import-  
cost.

ment discrimination against  
of the importer may be thus  
1/2 cents per bushel; rye tax,  
tax, 1 1/2 cents per pound;

these items would amount to  
of gallon of spirit produced;  
at, and power, should be at  
Government tax on such  
and would be, in fact is, from  
London.

an argument and clearly show  
an alcohol in bond is relative-  
use of the tax on materials;  
is called "duty-free" it is

have to bear a Government  
a gallon on strong alcohol  
what can be said of the pro-  
of United States distilleries  
Most people would designate  
tion, and those of patriotic  
much stronger language. It  
at mature consideration will  
that Canadians may at least  
with foreigners, whether of  
the cheap labor countries of

#### FLUIDITY OF CAPITAL.

ity. presents itself for the  
older economists concerning

tions made by experts before  
ciety, London, showed that  
British Islands amounted at the  
colossal sum of \$45,040,000.  
every man, woman and child in  
no apiece. Not only this, but  
in the past twelve years the  
en increasing at the rate of  
ally.

a division of wealth, unfortu-  
as of people, being purely an  
fact remains that enormous  
Britain await profitable invest-  
ment prevailing there, and the  
of legitimate openings for  
only three thousand miles  
long for the economic axiom  
er words, for the vast amounts  
Britain to flow as a natural

s in plenty to show that this  
g, and will continue to take

place in enlarging ratio in the immediate future. No  
qualified Canadian visits the Mother Country without  
remarking the wonderfully increased interest taken  
there in Canadian investments. In former days Gov-  
ernment bonds and a few railroad securities were  
practically the only forms of investment looked at.  
Now, these are considered subsidiary in attractive-  
ness and profit to a hundred and one other openings  
for capital.

Natural resources have obtained or resumed their  
proper hold on the investor's mental retina; their de-  
velopment offers a scope not only for pecuniary re-  
wards of a high order, but for the old-time energy  
of the explorer native in the Anglo-Saxon blood.  
Government bonds with their sure but commonplace  
returns give way in interest to the instinct which,  
seeing prodigal Nature wasting untold resources  
throughout half a continent, desires to bring them to  
the use of man, with profit to the man who organizes  
the development. Of such a character is the grow-  
ingly keen interest taken by British capitalists in Can-  
ada's forests and pulpwood, in her lands and fisheries.  
Of her capabilities in the way of manufacturing indus-  
tries, they are rapidly becoming fully cognisant, in  
witness of which are recent steps taken by prominent  
carpet manufacturers and others.

The truth is that the unlimited nature of openings  
in Canada for the investment of British and foreign  
capital are only just beginning to be recognized; each  
one taken hold of may and generally does reveal several  
others. As Lord Grey, one of the few figureheads  
who is emphatically a good deal more than that, said  
a little while ago to a Canadian Club audience, "There  
is scarcely any part of the Dominion where there is  
not a veritable Aladdin's treasure-house of some sort."  
The danger is that in the multiplicity of real treasure-  
houses, a few of the bogus variety may be intention-  
ally mixed in by unscrupulous parties interested. Can-  
adians should have more reasons than others for ex-  
posing such traps; and with this safeguard and the  
care which investments inevitably require, wherever  
they may be situate, Englishmen can continue to put  
into force the economic doctrines with which they  
have been identified for two generations, and with  
every prospect for the most gratifying success  
pecuniarily. Politically, and from the standpoint of  
empire builders they will be doing still more import-  
ant work.

#### NEW ONTARIO COMPANY LAW.

As is already known the Provincial Secretary of  
Ontario has departed from official traditions in pub-  
lishing the draft of his bill, consolidating and amend-  
ing the Ontario Companies' Act. A reference to this was  
recently made in these columns. Mr. Hanna tells us  
in his letter enclosing the draft bill, that the measure  
is largely tentative and is open to the fullest discussion  
and comment. He evidently does not fear discussion  
and comment. The draft bill has been arranged in  
such a manner that even people unaccustomed to wad-  
ing through blue books, statutes, sections, sub-sections,  
and a dozen other fearsome things, have every oppor-  
tunity and noting intelligently what changes are con-  
templated in the Ontario Companies' Act, what sec-  
tions have been amended or consolidated, what is alto-  
gether new, and what are the reasons for such changes.

The more you glance through its 193 sections, the  
more you realize the great amount of time and labor  
which must have been spent in preparing it. Once  
the bill becomes law, there should be no serious after-  
objections. If there are, there ought not to be. Ob-  
jections should be forthcoming now. It is seldom  
that a new legislative measure is launched with a re-  
quest for the fullest discussion of and comment upon  
its qualities. The citizen has been accustomed to be-  
queathe to his member of Parliament the right of  
serious criticism. An invitation to discuss a measure

before it reaches the House is as wise as it is unique.  
The more criticisms and suggestions Mr. Hanna re-  
ceives, the better he will like it.

There is much that is seen in the bill for the first  
time. Section 33 (2) provides that "the provisional  
directors shall report at the first meeting of a  
new company the number of shares subscribed  
or underwritten, the names of the subscribers  
or underwriters, the amount paid thereon, all  
contracts entered into by or on behalf of the  
company, the amount of the preliminary expenses, and  
the financial statement of the affairs of the com-  
pany, signed by the auditors, (if any)." This will  
enable shareholders to see exactly in what position  
their organization stands. It will also do away with  
the somewhat vague and ethereal statements which  
are on rare occasions made by robust looking directors  
to their three-parts-trusting, and one-part-suspicious  
shareholders.

In the past, Ontario companies have been at  
liberty to hold their shareholders' and directors' meet-  
ings wherever desired. They might meet at Toronto,  
at New York, at Peru or even at the North Pole. The  
new bill provides that in future all meetings of the  
shareholders and directors shall be held at the head  
office of the company, save and except when the com-  
pany is authorized especially to hold its meetings  
without the Province. Mr. Hanna's reasons for such  
a provision is curt, and to the point. "This appears  
necessary," he says.

There is no provision in the present act for the  
issue of share certificates in receipts for calls. Section  
45 of the new measure makes a shareholder entitled,  
without payment, "to a certificate under the common  
seal of the company, specifying the share or shares  
held by him and the amount paid up thereon."

Part V. of the Act is mainly new. No provision  
in the existing act is made for the issue of debenture  
stock or the conversion of preference shares into com-  
mon shares or debentures. This must now be done by  
the incorporation of a new company or other devious  
methods. By section 67 of this part, the directors of a  
corporation may make by-laws.

(a) For borrowing money on the credit of the  
company.

(b) For issuing bonds, debentures, or other se-  
curities of the company and the directors.

The companies with share capital may make by-  
laws;

(a) For creating and issuing any part of the  
capital as preference shares;

(b) For creating and issuing debenture stock.

(c) For the conversion of preference shares into  
common shares or debentures or debenture stock, or  
vice versa.

No such by-law is effective without the confirma-  
tion of a vote of not less than two-thirds in value of  
those shareholders present in person, or by proxy, at  
the general meeting of the company.

That part of the Act dealing with companies  
offering shares for public subscription is taken mainly  
from the Imperial Act of 1900, and is aimed at a fruit-  
ful source of loss in the launching of joint-stock com-  
panies. Mr. Hanna is explicit in his reasons for the  
inclusion of several sections of the Imperial Act. "It  
frequently happens," he says, "that greater difficulty  
than was anticipated is met in selling shares, and the  
proceeds of sales are used for the purpose of procuring  
other sales, so that when the shares are disposed of,  
there is not adequate capital to carry out the under-  
taking of the Company. The result is that money sub-  
scribed and paid is swallowed up in preliminary ex-  
penses and litigation, and the concern is doomed to  
failure from want of capital, and eventually, after a  
miserable existence, it goes into liquidation in an in-  
solvent condition, to the loss not only of its share-  
holders, but of its creditors. The object of this portion