

Statute books are the unimpeachable of human fallibility. When it is believed safeguard against failure has been provided of ways for evading and flouting of the will of the Legislature are discovered. The result of some enactments is to prove how wise men may darken counsel with words. Hanna's bill contains 193 sections. It superadds 20 other acts, the first of which contains sections, and the last, 56. It is impossible to adequately with the questions raised by a copy of it was only available two or three days before going to press. A revision of the present stock company law was necessary. Look over the titles of the acts passed from 1871 to 1906 to regulate joint stock enterprises you will find that so much ineptitude could have worn the habiliments of sagacity, and you will wonder the existence of as many sets of companies as there are provinces, with Dominion companies in each, is worth the expense of compiling, and perpetually reconstructing them.

Mr. Hanna's bill, the under-lying of which is made easier by explanatory notes, is intended primarily to protect the investor, and incidentally to protect the company from himself. Its main general importance is rather minute provisions for regulating companies which handle public services. It corrects of the glaring anomalies which the various acts failed to correct—such, for instance, as the amazing omission in some cases of any provision upon directors to supply shareholders with financial statements as to what has been done with the money, and the unlimited liberty which directors enjoy of voting as much money to themselves as they like.

Lightening of the checks upon public service companies may tend to head off the cry for public ownership of which causes so much mischief. The jurisdiction of the Railway and Transport Board is not prejudiced. Some of the pro-savor of grandmotherly interference; but the bill will serve the public interests well. The granting of franchises is limited to years, and no company will be incorporated until it shall produce to the Provincial Secretary: "(a) Evidence that the proposal is sufficient to carry out the objects of the company to be incorporated; that capital has been subscribed or underwritten by applicants likely to command public confidence in the undertaking. (b) A description of the plant, works and intended of the company, and an estimate of their cost. (c) A by-law of the municipality in which the works or the company are to be carried on, providing for the execution thereof in the manner set out in the detailed description above referred to. (d) The undertaking of the company is to be carried on by more than one municipality, then a by-law of each municipality hereinbefore provided. (e) If the undertaking is to be carried on in an unorganized district, then a by-law of the Minister of Lands, Forests and Game providing for the undertaking." (f) The subsequent relations of the companies to the public are very strictly defined, and before the end of each year the company must report to the Provincial Secretary, under the signature of the president and secretary, which shall contain: (a) The cost of the work, plant and underwritten of the company; (b) the amount of its capital; (c) the amount paid thereon; (d) the amount received during the year from tolls, levies, charges and all other sources, stating each item; (e) the amount and rate of dividends; (f) the amount expended for repairs; and (g) a description of any extension or improvement of works or of any new works proposed to

be undertaken in the current year, together with an estimate of the cost thereof."

Then, so that the Provincial Secretary may always be quite sure that no company is bluffing in any way, it is provided that "the Provincial Secretary may appoint a person to inspect and examine such books and every person so appointed may take copies or extracts from the same, and may require and receive from the keeper of such books, and also from the president and each of the directors of the company, and all the other officers and servants thereof, all such information as to such books and the affairs of the company generally as the person so appointed deems necessary for the full and satisfactory investigation into and report upon the state of the affairs of the company, so as to enable him to ascertain the correctness of statements furnished by the company."

EDITORIAL NOTES.

There is much sound sense in the letter of our Australian correspondent, which appears on another page—not so much in the criticisms of Canada by an Australian which he repeats, but more particularly in his discussion of the subsidy to steamship lines plying between Vancouver and Australasia, and the questions allied thereto. An Australian critic affects to discover remarkable supineness in Canadian enterprise, because we have not been selling as much goods to Japan as the Commonwealth below the equator. Compared with transportation to Europe, the sending of merchandise to Japan from Australia is much simpler than the dispatch of produce from east of the Rocky Mountains to Japan is in relation to shipment to the old-established markets of the United Kingdom. The wisdom of expanding trade with the Orient is obvious and clamant nevertheless. The wheat of Alberta, especially winter wheat, which is more congenial to the Oriental palate than No. 1 hard, will go more plentifully to trans-Pacific ports, and the most of the varieties of the products of British Columbia may easily be disposed of in rapidly increasing quantities in Japan and China.

The service given to trade and passenger travel between Vancouver and Australia and New Zealand is described by our correspondent in terms which would be amusing if good hard money and excellent opportunities were not being wasted. It is particularly true of Government assistance to commerce that what is worth doing at all is worth doing well. The steamers are inferior, the management has much to learn, and there seems a deplorable lack of general knowledge of conditions affecting interchange of merchandise that makes it doubly necessary for the whole field to be examined and reported upon by so alert and experienced a propagandist of business as the Commissioner recently dispatched to the Far East via South Africa and Australia by the Department of Trade and Commerce. Our correspondent also conveys the illuminating information that Governments in the Southern Pacific are finding it possible to renew at home loans originally contracted in London—which is a wonderfully changed state of things since the time, about thirteen or fourteen years ago, when bank collapses in Australia were the order of the day. The borrowing habit seems as inveterate as ever in the States of the Commonwealth, and in New Zealand there has been so much experimentalizing in many directions, including that of money lending to farmers and others, that the rate of interest for loans to that country is going up. The Governments are not solely to blame, as the latest example from New South Wales shows. The Government introduced a bill to construct a railway, proposing to pay half the cost with borrowed money, and the other half out of

the consolidated funds, which was easily possible, but the Legislative Assembly voted this sound proposition down, and instructed the Government to borrow all the money.

The financier is never free from trouble. The New York broker is seriously agitated concerning the extraordinary fluctuations in the rates for call loans, caused mainly by the manipulations of certain lending institutions. When you consider that the rate may be 6 or 7 per cent. in the morning, 25 to 30 per cent. at noon, and 6 or 7 per cent. in the afternoon, the brokers appear to have some good cause for their agitation. It would be a very important incident indeed that really justified the rates bounding up to so large a figure in a few hours. Mr. Schiff's explanation of the situation at the Chamber of Commerce meeting which recently considered the question, is thought to be pretty accurate. Some large lenders on the Exchange have a rule, as he puts it, of calling in loans early in the day, thereby restricting the supply of funds and stimulating the demand until the needs of brokers force up the rates, and then putting out loans at these high rates to profit by the manipulation, until the outflow of funds runs them down again. If this is really so, financial manipulation in Wall Street has reached a very fine art, and it is quite time that the enquiry for which the brokers ask, was made. The finance and currency committee of the Chamber of Commerce has been deputed to investigate the causes of this curious loan rate system, and there are many New York institutions which are able and should render the committee a great deal of assistance in its investigation.

At last a suit has been entered, contesting the ownership of a small portion of the Nipissing mining lands at Cobalt. The filing of the suit does not seem to be taken very seriously. It is generally regarded as part of the extraordinary stock exchange game, which has so unconvincingly brought Wall Street up against Canadian conditions. It may be expected that whatever unsiftlement may come to Cobalt camp through doubts about titles granted by the Crown, the Government will not be the disturbing element. Nothing can stop access to the courts by men who have grievances. Where so much wealth is obtainable for so little labor, there is sure to be a plentiful crop of litigation. It has been stated that three hundred Cobalt companies have been formed with a total capitalization of \$1,000,000,000. Whether this estimate is wild or reasonable there has been a wicked multiplication of companies against the effects of which only ordinary common-sense avail. If people will invest their money on the uncorroborated statements of advertisers, they must not be surprised if they come to grief over the transaction. The wealth of Cobalt is undeniable. The roguery of some of its parasites is equally undeniable. Shipments and dividends are the only thoroughly valuable evidences of the worth of properties, and even they, of course, are not conclusive, without regard to capitalization and current market prices.

MONTREAL CUSTOMS RECEIPTS.

Collections at the Montreal Customs House during 1906 season shows an increase of \$1,055,284. The figures for the last four seasons are—

	1904.	1905.	1906.
May	\$968,793	\$1,066,919	\$1,214,046
June	1,067,380	1,053,318	1,133,133
July	1,033,354	1,105,134	1,188,013
August	1,137,709	1,167,379	1,302,605
September	920,893	1,077,133	1,163,453
October	972,851	1,106,581	1,326,522
November	976,749	1,183,092	1,488,068
	\$7,683,729	\$1,759,556	\$8,815,840