

one scarcely knows what to has sprung upon the public surprises on more than one will have to hustle; and perhaps before it will wrest the world's in the City of London.

### CARE CAPITAL.

advice to Canada, recently literary man, while on a visit:—"If nothing calamitous occurs in the future of this country, by the powers that rule, to and the capitalist—especially 1907 will make greater progress by any country in the his-

will not feel so sanguine re-progress of their country this ident that in Canada is their t from this forward a constant But it is with the warning, hat many are more particularly ent.

ve recently been abroad, assert past few years in Canada have ain amount of disquiet amongst rs who have been looking to-ld for investment. They think s well as in the United States— n the part of the Government to hich have hitherto been con- Government functions. They ence of a feeling on the part of with franchises or to refuse to much more favorable terms to

endo in all this, but no specific ce of the latter, a reply becomes it is to be understood that our arful that faith with them may interests confiscated in legitimate , whereof does this fear arise? hat a tendency is evinced to de- or Canadian franchises, inferring s an aptitude to deal crookedly, admitted.

apidly growing. On both sides the belief that it will continue leman referred to above believes is year than has any other coun- obvious conclusion is, that the more than formerly. At the end urally will be worth more than redly, then, it would be rather onest were not more received for a formerly, or were franchises eceeding year, are certain to be- sold at their present face value. atters are loosely handled and e dealt out with a free hand to into the game, is where dis- en graft sits in the high places When the powers-that-be transfer irthright of the city or the coun- otage to satisfy their own appe- re not yet developed the faculty tween mine and thine. Then the ct indifference when he, in turn, of confiscation.

capitalists, and there is no place on y be more certain of reward than the country which makes a habit tions to the man who invests one ct to have a balance to its credit ly be carried on by placing manu-

facturing and other interests which really benefit the country, under a great burden. So that the problem really becomes one of special privilege versus industrial enterprise.

"Don't scare capital." The financial and commercial interests of this country—the banks and insurance companies, the car works, the machinery, clothing, building, and other trades, the merchants, and the farmers who, in open competition with all others, are making their living and giving employment to thousands of employees,—must not be compelled to cripple themselves in order to pay toll to the man with the special privilege. Otherwise capital will be scared. Special-privilege concerns with a few paltry millions will prosper, and the country, with the splendid industries in which so much wealth has been invested, will go into a well-deserved bankruptcy. Canada is making a proper discrimination between real capital and phantom capital. The growing tendency to demand the quid pro quo is the best possible guarantee of security to the man who comes with the goods in his jeans to join us in developing—not exploiting—this country.

### ON THEIR DELIVERANCE.

"We were told we had earned a very large dividend. The bank, as a matter of fact, so far as its branches were concerned, with its millions of discount business, was in first-class condition, but from being a bank it was turned into a bucket shop."—Ex-President Cockburn of the Ontario Bank.

"I never was more sure of anything in my life than that the bank was in a very good condition."—Hon. Richard Harcourt, ex-director Ontario Bank.

It is almost as superfluous to paint the moral as it is impossible to adorn the tale of the concluding chapters of the melancholy story of the Ontario Bank. Ex-President Cockburn has been acquitted of wilfully signing the statements sent by the bank to the Government. With Col. Denison's decision there can be little quarrel. Nobody expected that Mr. Cockburn would be convicted, although if British practice were followed, it is likely that the police magistrate would have at least sent him for trial by a jury. The acquittal is in keeping with the deliverance of Justice Longley in Nova Scotia, when President Lovett, of the Yarmouth Bank, was tried before him on a similar charge.

The section of the Bank Act, under which the prosecution was launched, states clearly enough that whether or not a bank official really knows a statement to be false when he signs it, he shall be deemed to have made the statement wilfully. By an ingenious piece of reasoning the Magistrate satisfies you that the Statute does not mean what it appears to mean, and what the prosecution, with faint attempts to appear in earnest, contended it does mean.

Of course, the Committee of the Bankers' Association, which is considering the situation created by the Ontario Bank fiasco, will propose some amendment of this section, which will obviate the two extremes which have presented themselves in connection with it—the extreme of criminal responsibility, whatever the circumstances and the extreme of immunity from punishment for gross carelessness. For observe the logical effect of Col. Denison's judgment, which is that any bank officer, who signs a fraudulent statement, must be immune from punishment, so long as he did not know that it was false. The judgment is an inevitable encouragement of carelessness; and the section of the Act must be revised so as to lessen the likelihood of a similar disaster; and to obviate the responsibility of a similar judgment.

There is one aspect of the meaning of the crucial section of the Act which it was not Col. Denison's business to touch, and about which there will naturally be so much difference of opinion among lawyers as to render it safe for a layman to say something

about it. The section says:—"And every President . . . who prepares, signs, approves, or concurs in such statement return, report or document shall further be responsible for all damages sustained by any person in consequence thereof."

Now, if it is necessary to prove knowledge of the falseness of a document, before an officer can be punished for signing it, is it necessary to prove guilty knowledge before you can recover damages from him for the result of publishing a false statement? It could be proved that people bought Ontario Bank stock as the direct effect of the publication of false announcements for which the directorate were responsible, and who, to the ordinary mind, would appear to have right of action against every participant, innocent or guilty, in McGill's crimes. But does immunity from damages follow immunity from imprisonment? Here, maybe, is a paradise for lawyers; and a bed of thorns for presidents and shareholders.

No recent statement has been made as to the intention of befuddled shareholders to sue the late directors. Whatever may happen, the monumental incompetence of these estimable gentlemen is proved beyond a peradventure—except to themselves. A financier-president who, though he is watching diligently, cannot tell when a bank is being converted into a bucket-shop, might profitably go to the first country fair and watch a somewhat out of date, but instructed performance with three thimbles and a pea. The two extracts from the evidence of Mr. Cockburn and Mr. Harcourt could not be improved upon as demonstrations of their suitability for other than financial pursuits. They are honorable men. In pedagogy and politics they achieved a certain eminence. In finance they have attained something which is not eminence. They are extremely conscious of McGill's shortcomings—a microscope apparently would not permit them to discover any of their own.

The worst of this kind of incompetence is that it begets the idea in the public mind that it is representative of the majority of financial men—a notion which produced a dogmatic deliverance from the Toronto Grand Jury this week, calling for Government inspection of banks, and containing too near an approach to a wholesale condemnation of bank managements generally. The Grand Jury performs excellent functions in the body politic; but it too easily becomes the prey of some over-weening moralist, who finds in the factitious importance, which this service of the King confers upon him, an opportunity to bawl his opinions into the public ear, which would not be open to him if he used his own name and designation.

The Grand Juryman has tried to damn the banks, has bestowed his malediction upon the advertisement managers of the daily newspapers, and has striven to put the mark of ignominy upon the public desire to know something of the strange tragedy in real life, the unfamiliar acts of which are now being disclosed in New York. We all love the moralist; but we do not love him very much. He shines most when he is talking of that about which he knows least; and when, as an accidental Minister of Justice, he hands out his criticisms upon all and sundry, he is less lovable than interesting.

The Ontario Bank collapse contains warnings enough for everybody. Like every other monitory event it produces teachings that are apt to be distorted. The lesson here is that of ordinary efficiency of business control; and not a call for outside officiousness. If you have incompetents in command any amount of Government inspection will not remedy the affliction. It will only supply a crutch to weakness when weakness needs a spur. And so, let us await the dividend to Ontario Bank shareholders, and trust for a merciful eventide for the unfortunate gentleman who henceforth will experience much freedom and little responsibility in the realm of strenuous, working-day finance.