

to cause a general breakdown of credit. The war drain upon Europe had during preceding months been enormous; the losses of San Francisco had to be met; and at the same time there were steadily increasing demands upon capital owing to unusually stimulated trade and unprecedented expenditures for railroads and buildings. Unless caution were exercised, so ran the prediction, the autumn of 1907 would witness a much more serious state of affairs than that of November, 1906. The correctness of the diagnosis thus made in January last by President B. E. Walker, of the Canadian Bank of Commerce, has been amply evidenced by recent developments abroad and at home. Happily the banking prophets were in a position to secure honor for themselves in their own country. And though the process of attainment may have involved inconvenience and even hardship in some instances, there is general recognition now of the fact that the banks did well to adopt the conservative course which has so largely aided in forefending from Canada an acute financial crisis.

Concerning C.P.R.

With an unusually wide-spread distribution of small holdings, there goes also the conviction that the Canadian Pacific Railway is managed for the benefit of the shareholders in general. This has been a marked factor in the comparative strength shown by this security during recent troublous times. Of direct bearing upon this matter is the remark of The Economist of London, to the effect that assiduous cultivation of the small investor is carried by the Canadian Pacific Railway to a pitch which British railway companies do not attempt to emulate, however well it might be if they were to do so. The Canadian Pacific has reduced its charges for registration of shares, so that the buyer can have shares transferred into his own name for threepence per share. By way of comparison, it may be observed that the investor who buys 5 Canadian Pacific at a cost of £145 incurs a charge of fifteenpence for registration, whereas investment in stock of any British railway company to the same amount of money would cost seventeen shillings and sixpence.

Canadian Pacific gross earnings for July-October this year show an increase of 8.2 p.c.; but, as with railroads in general this year, net earnings in October show a considerable decrease—sufficient in the case of the C.P.R. to result in a net decrease of 1.4 p.c. for the four months. The 1906 July-October net showing was \$10,057,150, while this year's is \$9,008,799. It is probable that the general increase in railroad operating expenses which began a year and a half ago has now about reached its maximum. With the tendency to declining prices and wages, expenses are likely to become

proportionately lighter. Evidently the directors consider that the time is not far distant for advantageously adding to the company's available capital, as witness their asking the shareholders to authorize the issuing of the twenty-eight millions of common stock now in the treasury.

Toronto Power and Light Question.

In commenting upon the question of electrical power and light distribution for Toronto, THE CHRONICLE last week expressed the hope that in advising that a by-law be submitted for the constructing of a competing distribution plant, the Board of Control was not abandoning all further negotiations with the Toronto Electric Light Company. In this connection the following extracts from a statement by Mayor Coatsworth are of interest.

"Immediately on the passing of the power by-law I would take up negotiations with the company, and ask if they can supply us with power at a figure as low as that of the Hydro-Power Commission, and under proper terms and conditions satisfactory to the city. If they cannot do this we would ask them to sell out to the city at a proper and reasonable figure. We ought, if possible, to avoid duplicating the plants. We should never lose sight of the fact that we have not entered into this contest for the purpose of asserting the principle of public ownership, but for the express purpose of securing cheap light and power for the people."

Rooseveltian Suggestions.

President Roosevelt's voluminous message to Congress this week made the following recommendations:

Further regulation of inter-state corporations; amendment of the Sherman Anti-Trust law; a more elastic currency; no present tariff changes; an income and inheritance tax; compulsory investigation of strikes; repeal of tariff on wood pulp; a National Gallery of Art; an extension of the ocean mail act; higher pay for officers and men in the army; four new battleships.

As to currency reform he stated his general views as follows:

"We need a greater elasticity in our currency; provided, of course, that we recognize the even greater need of a safe and secure currency. There must always be the most rigid examination by the national authorities. Provision should be made for an emergency currency. The emergency issue should, of course, be made with an effective guaranty, and upon conditions carefully prescribed by the Government. Such emergency issue must be based on adequate securities approved by the Government, and must be issued under a heavy tax. This would permit currency being issued when the demand for it was urgent, while securing its retirement as the demand fell off."