

# The Chronicle



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**SHELDON.** **T**HE much discussed Mr. C. D. Sheldon, has left Montreal for New York, or somewhere else. His office is closed; his cheques are refused by his bankers; his payments are stopped; and his customers, like Lord Ullin, are "left lamenting." There has never been much doubt about the nature of the business carried on by Mr. Sheldon; although many people had doubts as to his technical responsibility under the criminal law. The number and the class of his victims are alike surprising. Many plunged into the pool, with a full knowledge of the character of the business; knowing that a few would make large profits, and that the great majority would lose every cent they put in; taking gambler's chances of being among the lucky minority. These are entitled to no sympathy whatever. But there must be thousands who went into the scheme in good faith, trusting to the assurances of the "Wizard of Finance," that he had discovered a method of playing the stock market with phenomenal success, and many of whom are ruined by the collapse of the business. Not a banker, not a broker, not a business man of ordinary intelligence, but knew that Mr. Sheldon was receiving money from the public upon conditions impossible of fulfilment. Neither he, nor anybody else could possibly make from thirty to fifty per cent. per month upon any system of stock exchange or other investment; and there was never the slightest reason, except his own assurance, to believe that he could. There would be a great fluttering in the dove-cots of Montreal, if the whole list of Mr. Sheldon's dupes were published. Names would be found there that would surprise the public; and many of the victims would be astonished to find the company they were in.

It is axiomatic that a little fact is worth a great deal of theory; but the argument may be pushed too far in its application. After the first few customers were secured and paid handsome dividends, the beginning of the endless chain was strongly forged. Soon everybody knew somebody else who had actually received enormous profits upon his investment. Of what avail then to show that the scheme was impossible, as a whole? and that the few could only obtain their huge profits at the expense of the many? That there was any considerable investment of the cus-

tomers' capital in stock exchange securities, is altogether improbable. Not the slightest evidence in that direction has been forthcoming. That any such investments resulted in profits of from thirty to fifty per cent. per month, is, we all know, out of the question. The unavoidable inference is that Mr. Sheldon took the money of one customer to pay dividends to another, leaving the greater part as a reward for his services.

Human credulity and avarice will outlast this generation, and will always be, as they always have been, at the service of sharpers. But something should be done to protect the public even against its own weaknesses. There should be some means of bringing the power of the law to bear upon enterprises which are notoriously preying upon the public.

### A PROVINCIAL RIGHTS KICK.

**O**N Tuesday counsel representing the provinces of Ontario, Nova Scotia, New Brunswick, Prince Edward Island, Manitoba, and Alberta, appeared before the Supreme Court at Ottawa, in support of a motion to quash the reference of the Dominion Government regarding the legislative authority of the Dominion Parliament and the Provincial Legislatures respectively regarding company incorporation. This is a question of special interest to insurance companies. The argument was that the B. N. A. Act did not authorize Parliament to create a court to answer abstract questions of law. It seems rather late to raise this question, after the convenient practice of making these references has been in operation for nearly twenty years. In 1891, upon the suggestion of the Hon. Edward Blake, power was conferred upon the Dominion Government to submit to the Supreme Court and upon appeal, to the Privy Council any disputed constitutional questions. We are glad to add that the court rejected the motion to quash the reference on these technical grounds. Anything which would tend to increase the provincial powers at the expense of the federal authority, and, thereby, to multiply the differences in law and practice in business and financial affairs—much to the disadvantage of business—is to be deplored.