

ably the plaything of lawless greed. The State cannot permit the subjects of its supervision to exist as licensed prodigals of other people's money without becoming an accomplice to the offence.

"We cannot judge all life insurance companies by the sins of one. We should not destroy the edifice to rid ourselves of the vermin that infest it, nor should we kill the patient to stop the progress of the disease. A revision of our insurance law is necessary, but it should be made with calmness, deliberation and intelligence, and after careful study and investigation. Ill-considered haste, provoked by angry and impatient clamor, would serve no useful end. As I have often said, I shall in my own way, labor unceasingly to secure the conviction of abuses and the punishment of wrong-doers without the slightest regard for the social, financial, or political standing or influence of any man."

The Governor proceeds to refer to Superintendent Hendrick's investigation of the Equitable as having been conducted "with impartial thoroughness." He considers him and his staff well qualified to conduct the proposed investigation, but leaves it to the legislature to determine by whom the enquiry shall be conducted. A joint committee of the two houses will be appointed to consider and prepare "such legislation as may be adequate and proper to restore public confidence and to compel life insurance companies to conduct a safe, honest, open business for the benefit of their policy-holders."

In regard to the action of the legislature Superintendent Hendricks has expressed his satisfaction as such an investigation as is contemplated he regards as desirable, but it is beyond the power of his department.

Mr. Thomas F. Ryan, who took so prominent a part in the reorganisation of the Equitable, has said of the above movement:

"Governor Higgins has acted wisely in ordering an investigation of all the insurance companies. A thorough investigation will be a good thing for the policy-holders, and that is the great question involved. His action will greatly aid Mr. Morton in cleaning up the Equitable and reforming its management."

The legislature has undertaken a task of prodigious magnitude the responsibilities involved being equally great. If the result is to place such legal restraints upon the investing life insurance funds as will prevent investments in doubtful securities, or in securities not desirable for trust funds and prevent also the irregular manipulation of such funds for purposes not in the interest of policy-holders, the investigation of life assurance companies by the Legislature of New York State will accomplish a work that will be of infinite and universal service to life assurance interests.

#### QUERIES' COLUMN.

In order to furnish our readers with information we propose to devote this column to replies to correspondents. Letters should be addressed to "THE CHRONICLE, Enquiry Department, Montreal."

Answers will only be given to such communications as bear the writer's name, not for publication, but as evidence of good faith, and only to questions referring to matters of general interest in regard to which the Editor of Queries' Column will exercise his own discretion.

1467.—G. C. B., Ottawa.—We have no information regarding the company you mention. It does not appear to have been incorporated in Canada.

1468.—C. W. J., Fredericton.—Southern Pacific would be the most attractive purchase in the list of American roads which you mention, of the industrial American locomotive is in our opinion the best. Speculatively speaking they should both be good purchases.

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#### THE PROVINCIAL TAX ON THE SALE, TRANSFER, OR ASSIGNMENT OF SHARES, BONDS, DEBENTURES, OR DEBENTURE STOCK.

In our issue of June 2 last, we had the pleasure of publishing the opinion of the Hon. A. W. Atwater, K.C., former treasurer of the Province of Quebec, as to the constitutionality and legality of the Act of the Quebec Legislature by which a tax is imposed on the sale, transfer and assignment of shares, bonds, debentures and debenture stock."

This Act is declared by this eminent authority to be an indirect one and therefore *ultra vires* of the Provincial Legislature.

The more the provisions of this Stamp Act are considered the more certainly it appears to impose an indirect tax, which is not permitted to any Provincial Legislature by the Constitution of Canada.

A large number of the transactions on the Montreal Stock Exchange are conducted by brokers on behalf of and as instructed by their clients outside this Province. It is a physical impossibility for persons at a distance to pay the transfer tax directly, the payment by affixing stamps on each transfer must be done by their broker who pays the tax and collects it from his client.

The words of the Hon. Mr. Atwater read:

"By the Act which imposes this tax, the provisions of the general law relating to the issue and sale of stamps are made applicable to it and the very fact that the law requires that this tax shall be paid in stamps which may be purchased by anyone and affixed by the purchaser of the securities, as well as the vendor, demonstrates its indirect character.

"It seems to me that it was a matter of indifference to the Legislature who paid for the stamps which are affixed to these transactions and that it must have been contemplated that the vendor of a security would take the fact of the payment of this