

Company would not be much of a commercial proposition, for its dividends for over eight years have averaged only 2 per cent. The P. and O. Company receives about \$1,750,000 a year from the Government for its services in Eastern waters.

Of course, the mail service is valuable; but in comparison with what the Government pays common carriers on land for transporting letters and newspapers, the shipping companies receive fabulous amounts. Half a century ago it was recognized that the carrying of trans-oceanic mails at rates which, counting the tonnage, are out of all proportion to those received for transporting merchandise, rendered great service to the expansion of commerce generally, and was a priceless gain to the strength of imperial sentiment, which lives so largely upon the communication of friends who are sundered by the seven seas.

Indeed, the case for Government aid to steamships is in many respects similar to the case for maintaining a corps of British consuls in every civilized country. The British consul at some city on the Yang-Tse-Kiang, for instance, is maintained by the British taxpayer for British trade purposes; which is another way of saying that he is there to give Government assistance to the British firms which are trading in that particular district. His services are at the disposal of any British subject who happens to pass that way; but in results to trade actually achieved he ministers to those enterprises which cultivate that portion of the Chinese field. It is also true that in making it easier for Manchester merchant princes to build palatial residences and endow their city with costly benefactions, he is also extending the benefits of income to the operatives in the mills and to every industrious creature who supplies the wants of the operatives which they cannot supply themselves.

A bounty of six dollars a ton would not magically create Canadian Belfasts and Clydes. But it would have the same general effect on trade as the consular service has. Before it were seriously entertained by the Government the proposal might have to be backed by evidence that capital for enterprises and orders for vessels are assured, and that the road to great expansion of native shipping in the north-east Atlantic is plainly blazed. The north-east Atlantic is only one of our partially unexploited maritime provinces. There are the inland seas, the possibilities of which no Government at Ottawa or Toronto has sufficiently appreciated. The development of Yankee shipping on the Great Lakes has been one of the wonders of this century. There have been extensions of Canadian lake transportation, and there will be more. But we do not build enough ships for ourselves.

The Great Lakes tonnage of 1904 was: Canadian, \$7,975,487, and the United States, \$7,400,613. The advantage of Canada is more apparent than real, and does not represent the extent to which each country is exploiting its natural openings for this class of trade. The shipbuilders complain that though British-made ships are imported for lake traffic as free of duty as those which come to Halifax or Montreal; they have to pay heavy duty on materials for use in the yards, which makes it impossible to compete with the British builder. The "Midland Prince," launched at Collingwood last week, is the largest vessel constructed on Canadian stocks. The bounty on her of \$1.15 a ton amounts to only about one-fourth of the duty paid on material used in her.

There is an illustration of our disadvantage in the sending this week of a deputation from Toronto, to beg Sir Wilfrid Laurier and his colleagues to improve the harbor and facilities of the capital of Ontario—a request immediately resulting from the disastrous wreck of a vessel anchored outside the harbor, because of the impossibility of getting inside during a storm. Here are some sentences from the speeches that were made to the ministers: "The decay of shipping on Lake Ontario is partly due to Toronto's bad

harbor." "Toronto is the only harbor of refuge for 130 miles." "We want an 18 foot channel in the western gap." "The present life-saving boat is twenty years behind the time." "We want an expert examination of the harbor and provision made in the estimates for permanent improvements." "Toronto is one of the finest natural harbors in the world."

There could not be a much stronger indictment of the shipping policy or im-policy of the powers that be, than juxtaposition of the first and last of these quoted sentences. Not long ago the expert representative of an English city, which has expended \$30,000,000 on dock improvements, was sent to Canada to open up traffic between that port and our ports, derided the trans-shipping facilities of Quebec and Montreal; and generally scorned us for our failure to recognize that transportation by sea demands continually improving methods in every one of its contributory departments. The necessity for encouraging the building of iron ships is, therefore, part of the need for a larger, stronger, more courageous maritime policy on the part of those who have these affairs in charge. A vigorous representation now and then by mayors, boards of trade, and individual shipowners and builders will not produce a maximum of result unless they are a part of a determined programme of mercantile policy which will be preached everywhere with as much zeal and energy as are generally devoted to the unearthing of some petty parliamentary scandal, or the crippling of some legitimate enterprise on the plea that it is not conceived and operated solely in the interests of "the people."

THE PRICE OF INCOMPETENCE.

The speech of the departing president of the Ontario Bank to the meeting of shareholders on Wednesday was received in merciful silence. Mr. Cockburn is down and out as a guiding force in that unfortunate institution. No one imputes roguery to him. Though he is still answerable for his regime and its consequences, it would be ungenerous to refer hypercritically to his defence were it not that the whole episode is of so much public concern, and his own exculpatory effort is of real interest inasmuch as it affects the general question of directors' responsibility.

Mr. Cockburn feels secure in his own consciousness of duty minutely done. Accidents will happen in best regulated establishments, and if a general manager will go wrong, and not tell anybody what he is going to do, why, who in the world can stop him? The value of Mr. Cockburn's latest contribution to the science of bank management could have been tested if some shareholder had asked him: "Did the directors secure periodical inspection of the head office?" To answer in the negative is to make all other excuses vain. Reams of explanation as to how the directors were blissfully ignorant of the disappearance of securities will not alter the fact that the bank was wrecked, and that the purpose for which directors were paid was to see that neither the general manager nor any other force could accomplish that end.

The shareholders may receive a dividend of seventy-five cents on the dollar, which is better than they once hoped for, and which will make them regret more poignantly than ever that, as the trouble was not due to any shakiness of the bank's business as a whole, a combination of forces was not attempted by Mr. Cockburn and his colleagues with a view to saving the whole situation. They have the consolation of reflecting that the vanished twenty-five cents has purchased a great store of valuable experience for themselves, and has permanently endowed the country with a stock of most useful warnings. Each step in the elucidation of the Ontario Bank fiasco makes it more apparent that it is the fruit of sheer incompetence, for

which strict-accountants in the civil courts.

The inclination has been raised anew by this delusive panacea. Mr. Elliott, Bank, has joined Mr. Scotia, in the advocacy there is no reason to influential, though in favor of this radical weaken responsibility; ed; and would increase, where responsibility edge smaller. The directors should direct not that outsiders should for the vital future.

The best friends never claimed that in see in the too frequent best evidence that G. sporadic misfortune dents of Canada provided against cal proved from time to tion of this has been Clouston, general m at the annual meeting Ontario Bank is p nickel to either could scarcely be the of suspension in the said: "During the failures of banks, our present banking been under \$750,0 have lost nothing. be organized under during that period positors and note under old charters not now exist—in bility. Out of the since 1880, five on present system." ditions of granting amended, or that th to Government show responsibility of di swiftly and directly Association is consi most certainly prop which will achieve

A PESSIMIST.

There was a ra Trunk Pacific Railw Mr. Farrer, the Ott which may easily b er does not seem cold on the undert both. He mourns which the road is scarcity of labor making so little Junction and Winn pany will not be before 1908, if then

Meanwhile, the guaranteed bonds lists, we are told, policy of lending p they recognize, th