

day statement. Loans decreased \$13,943,000; deposits decreased \$24,000,000; and cash decreased \$1,000,000—the net result being an increase of \$4,262,000 in the surplus. This exhibit does not prove out inasmuch as the decrease of loans plus decrease of cash is about \$10,000,000 less than the decrease of deposits. In case of the banks alone the loans were reduced \$14,066,000 and the cash holdings fell \$1,600,000; and on the other hand the decrease in deposits amounted to \$16,527,000. The result was an increase of \$2,553,000 in surplus bringing it up to \$6,087,000.

#### AN OBSCURE MOVEMENT.

It is rather difficult to discover what was the real cause of the liquidation and decline in Wall Street securities experienced this week. There is apparently considerable apprehension as regards the effect of the new tariff on the earning power of certain representative industrials. United States Steel has been a target for the bears on the supposition that the net profits of the corporation must decline under the competition of European steel concerns. However, the railroads have declined equally with the industrial stocks; and it cannot be said with any show of reason that the new scale of duties promises to hurt the railways in any important respect. On the contrary they stand to gain from the change.

#### GOVERNMENT AND BANKERS AT LOGGERHEADS.

To account for the weakness of the railways Wall Street points to the institution of fresh suits by the federal government against railway and other corporations—notably the Southern Pacific-Central Pacific suit—and to the apparently irreconcilable attitude of the government towards the banking interests in the matter of currency and banking reform. The unyielding disposition of the Government in regard to giving the bankers any important share of control of the proposed new reserve banks apparently threatens to wreck the whole plan of currency reform.

#### THE COMPANIES' CASE.

**Supreme Court Decides in Favor of Provinces—Case will Probably go to Privy Council.**

The provinces have won the first round in the contest between themselves and the Dominion Government regarding their respective rights to legislate regarding incorporated companies. The Supreme Court of Canada on Tuesday handed down a memo intimating that by a majority of four to two, the Court had decided, generally speaking, in favor of the provinces. It is anticipated that an appeal will be taken to the Privy Council in order to have the issue finally and conclusively determined. The series of questions submitted to the Supreme Court referred to companies incorporated under the Companies' Acts and also to insurance companies.

The right of provincially incorporated insurance companies to issue policies all over Canada was upheld by the Courts. The formal reasons for the judgment and specific answers to the questions submitted are now being printed. The questions were as follows:—

1. What limitation exists under the British North America Act, 1867, upon the power of the provincial legislatures to incorporate companies? What is the meaning of the expression "with provincial objects," in section 92, article 2, of the said act?

2. Has a company incorporated by a provincial legislature under the powers conferred in that behalf by section 92, article 92, of the British North America Act, 1867, power or capacity to do business outside of the limits of the incorporating province? If so, to what extent and for what purpose?

3. Has a company incorporated by a provincial legislature for a purpose, for example, of buying and selling or grinding grain, the power or capacity by virtue of such provincial incorporation to buy or sell or grind grain outside of the incorporating province?

#### RIGHTS OF INSURANCE COMPANIES.

4. Has any corporation constituted by a provincial legislature the power to carry on a fire insurance business, there being no stated limitation as to the locality of operation? Has it power or capacity to make and execute contracts?

(a) Within the province insuring property outside?

(b) Outside the incorporating province insuring property within?

(c) Outside of the incorporating province insuring property outside?

Has such a corporation power or capacity to insure property situated in a foreign country or to make an insurance contract within a foreign country? Do the answers to the foregoing inquiries depend on whether or not the owner of the property or risk is a citizen or resident of the incorporating province?

5. If any or all of the above mentioned cases, a, b, or c, be answered in the negative would the corporation have throughout Canada the power or capacity mentioned in any and which of the said cases on availing itself of the Insurance Act, R.S.C. 1906, Chapter 34, section 4? Is the said enactment *intra vires* of the Parliament of Canada?

6. Can the powers of a company incorporated by a provincial legislature be enlarged and to what extent, by: (a) The Dominion Parliament? (b) The legislature of another province?

7. Has the legislature of a province power to prohibit companies incorporated by the Parliament of Canada from carrying on business within the province unless the companies obtain a license to do so from the provincial government?

8. Is it competent to a provincial legislature to restrict a company incorporated by the Parliament of Canada in the exercise of the special trading powers so conferred or to limit the exercise of such powers within the province?