

and title of the person to whom they are allotted (Section 97), or if no contract, a statement, giving full particulars.

In respect to this, perhaps I may add a suggestion for improvement. A company must, in addition to this filing, show in any prospectus issued that such shares are or will be allotted, but practice shows that this is not sufficient to prevent the public being fooled by frauds or equally taken in by the promoters injudiciously allotting shares for insufficient consideration, and thus crippling likely ventures.

I would suggest, therefore, that this province should appoint a suitable official as mortgage and contract investigator, and should compel all such contracts to be signed by him before they become instruments of value.

The power I recommend is that he should be able to enforce the inserting of his report in the prospectus if a new company, or the holding of a special shareholders' meeting to consider his report in any case in which he deemed the proposed contract prejudicial to the present or future shareholders. And in the case of truly bad proposals, stipulate that only on orders from the Court, authorizing him to do so, would he sign. In all cases the company to have the right to appeal to the Court for an order to have the contract sealed. Such a provision would put a very wholesome check upon the distributing of shares to friends for an invented consideration, and would also be a protection against directors who often, with the best of intentions, make the most astonishingly short-sighted agreements.

The experience of the official would come as a help to all directors honestly working for the shareholders, and the publicity of any comments he made in his report act as a proof against fraudulent watering of capital.

And I am further of opinion that a copy of a prospectus, in full accordance with the Act, should be hung in full view in a prominent place for three months after filing on the walls of the registered office, and the walls and display windows of any premises used for the selling of shares.

Application for Shares.

These should be chosen by the firm's solicitor or company expert, or taken from a standard form. They may be most readily kept for reference by pasting on the pages of a loose leaf book in alphabetical order and numbered as received, consecutively.

One application only should be on each page, which should be headed with the name of the maker, and have room to put beneath it the number of the letter of allotment, the page of