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WAITING FOR THE SENSATION

Just before sailing for Europe, a Captain J. Roy Saunders, associated with a London daily newspaper, gave a strongly worded interview respecting certain Canadian investments. In view of the fact that his opinions have been repeated, they are entitled to analysis. Three months have been spent by Captain Saunders in Canada investigating the various Canadian offerings presented in recent years to British investors. "You probably know," he is reported in an interview, "that during the last three years the floating of bogus Canadian stocks on the London market has gone on at such an utterly unprecedented rate that a great many big British interests have become entirely alienated from colonial investments, while a great many have been heavy losers. Needless to say I have encountered a tremendous number of propositions which are absolutely rotten. Yes; there is no other word to describe them. In no less than thirty-five separate and distinct cases in cities west of Winnipeg I have been forced to write down this adjective after the high-sounding names of apparently bona fide real estate and mining companies, many of which are already deluding the British investor."

When Captain Saunders returns to the sober financial atmosphere of London and begins to tabulate the list of bogus Canadian stocks floated on the London market in the last three years it will be found, we think, that they have not been placed at an "utterly unprecedented rate." Indeed, it will be difficult to make a list of any great length. He will also discover that few, if any, big British interests have become alienated from colonial investments or have sustained losses. Big British interests are not prone to such habits.

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Captain Saunders has discovered thirty-five bad companies, mostly real estate and mining, west of Winnipeg. During the past eighteen months only, no less than 5,750 new companies have been incorporated with Dominion or provincial charters. Thirty-five unscrupulous real estate and mining companies is not a large number, compared with the numerous sound Canadian enterprises which have sought money of the British investor. Captain Saunders stated in the interview that for the next few years British capital would be wary of Canadian investments. "The reaction is already setting in," he said, "and I can advise that no big schemes be broached for the present." British capital usually flows to countries offering sound investments at attractive rates. If Canada can continue to offer such investments as in the past, and market conditions are satisfactory, British capital will continue to patronize Canadian investments. Surely Captain Saunders does not seriously assert that the temporary conditions in the London market, or, as he terms it, "the reaction," are due to the activities of the thirty-five companies he has in mind and some others. To date we have had over \$1,000,000,000 of British money to finance our development. The existence of the Canada of to-day proves that little of that sum has been wasted. Few of the investors who have placed their money here have had cause for regret.

The Monetary Times willingly admits that several unworthy Canadian promotions have been placed before, and in some cases swallowed by, the British investor. As a rule, these have been undertakings which, if worthy, could have been financed in Canada. Canadians with the true interests of their country at heart—and such Canadians are legion—are just as anxious for the maintenance of a high standard of national credit as Captain Saunders appears to be. The tone of his inter-