

VIEWS OF INVESTMENT BROKERS.

LETTER FROM H. EVANS GORDON & COMPANY TO THE RIGHT HONORABLE LORD STRATHCONA, LORD HIGH COMMISSIONER FOR CANADA.

Messes. H. Evans Gordon & Company are a well-known and highly respected firm of investment brokers in London.

1 Sun Court, Cornhill, E.C.,
London, 29th April, 1909.

The Right Hon. Lord Strathcona and Mount Royal, Lord High Commissioner for Canada, 28 Grosvenor Square, W.

MY LORD, As many of our clients and friends are largely interested in Canadian Securities, we are naturally alarmed for ourselves and their interests, in the recent Bill that has been passed by the Ontario Provincial Legislature, a copy of the Bill being now before us. If this Bill is allowed to remain unchallenged, we fear it will have a bad effect upon all Ontario Securities and indirectly also upon Dominion Securities as a whole.

In the face of vested interests, the local government entered upon the doubtful expedient of offering to supply municipalities with cheap power at about \$22 per horsepower, and several municipalities accepted this offer. Subsequently finding it necessary to modify this contract, the Government submitted other contracts agreeing to supply the power at the Falls, leaving the cost of transmission, etc., to be borne by the municipalities. This being a very uncertain cost, many of the municipalities refused to sign the new contract, the mayor of Galt, for instance, refusing to do so. The Government (by Section 5 in the Act) ordered as follows:

"The said contract as so varied as aforesaid, shall be treated and conclusively deemed to have been executed by the said Corporation of the Town of Galt," and further in Clause 6:

"That it shall not be necessary that the said contract as so varied as aforesaid be approved of by the Lieutenant-Governor of Canada."

As Judge Anglin, in an exhaustive judgment, stated that the new contract substituted for the old without an appeal to the people was invalid, Section 8 in the Bill enacts:

"Every action which has been heretofore brought and is now pending wherein the validity of the contract or any By-law passed or purporting calling in question the jurisdiction, etc., by whomsoever such action is brought shall be and the same is hereby forever stayed."

Where is the security for vested interests or the right to appeal under an injustice if such sweeping Provincial Laws are to be placed on the Statute Book?

We shall feel it a special favor if you will inform us how we can bring an influentially signed protest from investors and others interested in Canadian Securities before the Dominion Government, as we feel sure such very arbitrary and inconsiderate legislation must have a very adverse influence if persisted in.

We are, my Lord, yours faithfully,

(Signed) H. EVANS GORDON & Co.