

they are seeking the small investor's capital in order to swell the amount available for speculation.

There is no desire to belittle the legitimate increase in land values. There is a conservative appreciation of such values every year, in keeping with general progress and development. The rapidity of growth in existing cities and in towns and the building of new communities necessarily enhances real estate values. But the fact remains that some of these values have been forced beyond their proper point, and that wild speculation is being fostered and encouraged by various promoters. Mr. R. M. Horne Payne, at the meeting of the British Columbia Electric Railway in London last week, stated that that market is now inundated with wild Canadian proposals, especially in land and town properties. The same applies to Canada. It only requires the investor to exercise the greatest caution in order to freeze the stream of gushing offers.

The third unwelcome feature is the promotion of innumerable industrial and other companies in Canada which are undeserving of support. Several of these have been criticized in the columns of *The Monetary Times* during the past few weeks. The most common method is for a professional company promoter with an attractive scheme and with only the interests of his own bank account at heart, together with a glib stock salesman, to initiate a stock selling campaign. Extraordinary dividend promises are made, and unless the investor is accustomed to examine a prospectus, to delete the wanderings of a good imagination, and to get down to actual facts and prospects, he is likely to be led into helping to finance an enterprise which will never make good. With so many excellent sources of unbiased advice on investments, the day is passing when such promoters and stock salesmen should be allowed to fleece the investor.

The fourth factor, and perhaps the most important of all, is the thoughtless freedom with which well-known and respected public men in Canada allow their names to be used as founders or directors of companies, about the promoters of which they know little and about the prospects and probable conduct of which they know nothing.

It is not enough for a gentleman who values his good name to give his services as a director simply because he sees that another eminent public man has already done so. In many cases it has been proved that the first few prominent names have been used without permission or obtained by false pretences. If the investor is to consider good names on a directorate as an asset of a new company, he must know that the directors are familiar with the company's origin, promoters, business, management, conduct and prospects, and are willing to endorse the enterprise personally as sound and worthy of confidence. Otherwise, the investor will shortly refuse to consider as an investment attraction a list of well-known men as directors.

These matters all need attention, and are part of a necessary house-cleaning at home. In view of the wonderful development and prosperity of the Dominion, it is only natural that a few flaws should exist. In the interests of the British and foreign investor, and in the best interests of Canada, we must remedy the undesirable features noted. Mr. R. B. Angus, president of the Bank of Montreal, at its annual meeting on Monday, recalled that the money markets of Great Britain and the continent of Europe have taken freely of Canadian bonds and stocks. There was a brief interval of dullness, but that condition seems to have passed, and well-vouched-for securities are again in good demand.

"There is ample room," said Mr. Angus, "for the employment of foreign capital in this rapidly developing country, and it becomes the more imperative that no issue having any taint or doubtful value should be submitted to the foreign investor."

ENLARGE THE WELLAND CANAL.

A perusal of the excellent reasons advanced by the influential deputation to the Dominion Government on Tuesday for a new or enlarged Welland Canal, creates astonishment that such an important project was not begun and completed years ago. Although this waterway is in Ontario, it plays an important part in the development of Western Canada, of Montreal and other Canadian ports, as well as of Ontario. Its proposed enlargement will effect two master strokes: the cheapening of Western grain rates and the counteracting of aggressive United States competition in the shipment of Western grain from the head of Lake Superior, competition to be made more strenuous by the improvement of the Erie Canal in New York State at an estimated cost of \$100,000,000.

By deepening the Welland Canal so that the big lake vessels, which are now barred from that waterway, may use the canal, a saving in freight of two cents per bushel will be made in the transportation of the Western crop, an economy of several millions of dollars, based on the current year's yield. American competition in this matter has already become a serious question for Canada. Last year, even at the present high rates, one-third of the wheat and grain exports from Fort William and Port Arthur found an outlet at Buffalo. The new Erie Canal will necessarily capture almost the entire trade, unless the Welland waterway is enlarged. The advantages of the proposal were summarized as follows in the memorial presented to the government this week:—

1. The project has already been strongly endorsed by boards of trade and municipalities representing nearly all the important centres of Ontario.

2. An enlarged Welland Canal will reduce rates on grain shipments from the West, and will be a great leveller of freight rates generally.

3. It will settle the transportation question finally in Canada's favor.

4. It will reduce the through rate from Fort William to Montreal, and will enormously enhance the value of the Western crop.

5. The approaching completion of the Erie Canal enlargement makes a larger Welland Canal immediately imperative.

6. The time of transit between Lakes Erie and Ontario would be reduced from 18 to 6 hours.

7. No sane shipper would send grain through the enlarged Welland Canal, thence from Oswego to New York, as has been absurdly suggested.

8. Eastern and Western Canadian trade channels would be preserved and enlarged instead of American northern and southern routes.

9. Trade would be fostered through Canadian ports.

10. It would increase transportation facilities and relieve the freight congestion with which the railroads are unable to cope.