

merger and deems a government investigation necessary. Does anyone think that all this financial scandal is not injurious to Canadian credit? A recent London despatch to a Montreal paper reads: "The Asbestos fiasco is followed by another and some concern is expressed here of the effect upon Canadian industrial credit among British investors by the announcement that the Swanson Bay Forests, Wood, Pulp and Lumber Mills, Limited, propose to default the 6 per cent. first mortgage bonds issued in July last year." Mr. James Ross, who has recently returned from London, says: "It is again necessary to sound a note of warning with regard to a certain class of Canadian flotations which can only end in disaster to many and will do considerable harm to the country in the eyes of the British investors."

Surely there have been warnings enough. Government action is needed and that immediately, else we may learn when it is too late that capital knows no country. Even now the current of British capital flows as readily to Argentina as to Canada, and the generous tide which, if carefully husbanded, will make the twentieth century Canada's century, may soon become the merest dribble if we leave it without restriction in the care of men whose aim is not the welfare of Canada, but their own immediate gain. Compare our company laws with those of England, and it will at once be apparent that we allow too much secrecy in the promotion and operation of our companies. Our prospectuses give too much rosy optimism of a general character and not enough details bearing on purchases, amounts paid to promoters, estimated amount of preliminary expenses, commissions, etc. Let there be more publicity and we shall have less over-capitalization and therefore less need of combination in order to increase prices that dividends may be paid on bogus stock.

Yet, while a proper revision of our company law ought to act as a check on the activity of merger promoters, a problem has already been created through the ineffectiveness of past legislation, and to cope with this, a commission of experts seems necessary. The new government has proposed such a commission and there are rumors of government control of the capitalization of corporations and similar reforms. Our legislators could undertake no work at present which would mean more for the future of our country and every true citizen, of whatever political party, will welcome any honest effort to cope with this difficult problem.