

started. A short time ago Mr. G. J. Kinnaird, City Commissioner for Edmonton, wrote as follows to the "Monetary Times":—

"Canadian municipal debentures are practically going at a high rate of interest, and money for municipal improvements is costing more than money is actually worth.

"Canadian progress is generally being crippled and retarded because Canadian capital is insufficient for its development, and British and foreign capital, which might be secured to make good this deficiency, is being directed into other channels."

**A
Conspiracy
Against
Municipal
Ownership**

These municipalities should waken up to the fact that a few financiers at the head of our large banks, insurance, loan and trust companies are getting such control of the money of the country and the machinery by which foreign capital is brought in that they are able to thwart the will of the people in the matter of municipal improvements and municipal ownership to the advantage of their friends who are looking for valuable municipal franchises and privileges. What encouragement do we offer to foreign capital to come into our country when millions of our own savings are being shipped out to be invested in New York, London and Chicago, and while we are throwing our own municipal securities overboard, as the writer will show has been done, to buy the securities of traction concerns in the United States, South America, Mexico and other foreign countries? In the "Province," Vancouver, Nov. 5th, Mr. R. E. Gosnell stated, upon returning from England, that he had often been met with the question as to why Canadians did not more freely invest in their own enterprises, instead of sending their money to New York, to Cuba, to Brazil, or to Mexico.

**Canadian
Banks
Encourage
Speculation
Not
Industrial
Expansion**

The encouragement and opportunity which the banks have given for capitalization and flotation has done much to retard the proper development of the country's natural resources. Anyone who had to do with the early history of Cobalt will tell you how impossible he found it to get any accommodation from the banks for development purposes. But as soon as a broker or lawyer had secured an option on his property with the object of turning it into an excessively capitalized company with the intention of unloading the stock on the public the banks readily advanced, for the purpose of carrying out the terms of the option and marketing the stock, many times the amount which would have been necessary to properly develop the mine. Instead of development there was overcapitalization and wild speculation in stocks. Large fortunes were made, not by what was taken out of the mines, but from the sale of stock certificates to the innocent and unsuspecting public, which certificates in the majority of cases have proved worthless, and often purely fraudulent.

**Cobalt an
Instance**

The result was that the people lost heavily, and proper development of the camp was very much retarded.

Did the public but know the assistance which a number of our large banks both directly and indirectly gave to the excessive capitalization and wild speculation in Cobalt and the manner in which many bank managers and directors profited by this disgraceful performance, in which the public were heavy losers, they would not be long moving in the direction of a change both in the administration and the system of our banking.

**Insufficient
Holdings of
Legal
Tender**

Another very undesirable feature of our banking system is the lack of some requirement regarding reserves of legal tender. According to the last monthly statement, if all the holders of Canadian bank bills asked for the redemption of this paper in legal tender, as they have a right to do, and all the depositors demanded the payment of their deposits in like tender, as they also have a right to do, the whole of our Canadian banks would be forced to close their doors before they had paid much more than five per cent. of these demands. At