Guarantee Municipal Securities

THERE isn't a doubt about it that we are moving in Canada toward paternal government. And, though I pride myself on being a stout Individualist (the compositor will kindly avoid wounding me in a sensitive spot by making sure that he does not leave the last three letters off "Individualist"), I am by no means certain that some of this paternalism will not be good for us. It is proposed in the West, for example, to bring the borrowings of municipalities under Provincial supervision. Again, Hon. Mr. White is announced to have a new Trust and Loan Co. act up his sleeve. Both these measures will tend to protect the private investor—to exercise a slightly more paternal supervision over individual investments. Instead of leaving it entirely to the investor to study out his own problems, gather his own information and wholly protect himself, the State will step in and fix some new limits beyond which the vendors of securities cannot go.

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OF course, we have always had lots of paternal legislation—in spite of our criticism of the Germans for their penchant in this direction. The Railway Commission is a fatherly body—the railways sometimes think it is step-fatherly. All laws in restraint of monopolies are paternal. The little civic by-laws which try to get us clean milk and unpoisoned meats and safe fruit and non-mummified canned goods, are all paternal. It is nothing new. But we are constantly entering freak fields with our paternalism, and making it more and more difficult for the way-faring man, though he be an "easy-mark," to get "done" therein. And all this is, in truth, only an extension of our ancient laws against fraud. Modern civilization has become more intricate. That is all. We must go more into details now, if we would protect the innocent against open and criminal fraud. The investor has ceased to invest largely in the mortgages on the farms of his immediate neighbours, and has begun to buy stocks and bonds and debentures which constitute claims on property whose very existence he must take on trust.

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I HAVE sometimes wondered in my irresponsible way why municipalities did not combine to get the Provincial endorsement on their securities. It would enable them obtain money at much lower interest. A bond, guaranteed by a Provincial Government, sells better than one with only the puissant name of Hog's Hollow on the back. And it ought not to be impossible or even difficult to arrange for Provincial guarantees. It would imply, of course, that every municipal loan would have to be looked into and passed by a Provincial authority; but, if a friendly Provincial authority was of the opinion that a proposed municipal loan would not be adequately secured, that loan should never be sought. We should at any rate have Provincial law enough to prevent reckless or criminal municipalities from floating loans which over-burden their ability to pay. We should never allow Canadian municipalities to deliberately prepare a swindle for the British investor. Yet the moment we give the Province power to veto loan bills which over-top the credit of the municipality proposing to pass them, we have established enough machinery to enable the Province to safely guarantee any loan it does permit.

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AND this arrangement would have a most desirable back-action; for it would incline a Province to be very careful what loans it allowed. It would know that its permission carried with it an endorsation which might get it into trouble if the municipality went bankrupt; and it would make very sure that the loan was a sound one before it was floated. I cannot think for the life of me of any objection to this plan. Surely no municipality would argue for a moment that it should be allowed to float a loan when there was any reasonable doubt about its ability to keep up the interest or to meet the debt when it fell due. Yet the Provincial law could be so framed that this would be the only ground of veto. Each municipality ought to be the sole judge of whether it should or should not borrow money to go on with its public works, provided there were no doubt about its credit. That being granted, the municipalities would have as much freedom as they enjoy now for honest loans; and they would have to pay considerably less for their money.

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THE municipalities could get such an arrangement if they combined to demand it. They constitute the Province. They would thereby establish a sort of check on each other, and prevent the well-intentioned municipality—which must be in a large majority—from having the price of its securities sent up by the gambling spirit of a very few. Moreover, it would constitute a great safeguard for the investor, Canadian as well as British Island. The investor would have the endorsation of the Province upon his bond. That would be final and absolute. No buyer of municipals would ever have to stop to ask himself whether or not he might wake up in his old age to find his bonds repudiated. He would not even have to enquire very closely into the circumstances of the municipality in question—something he must now do with a very considerable chance of being misled. The Provincial guarantee would obviate all that. The school section on the back concession could borrow almost as cheaply as the metropolis—and wouldn't that be an excellent thing, too?

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IT is all nonsense to talk as if Canada should not borrow—and borrow largely. We are building for the future. Why should we do without the equipment which will presently become necessary when it would not only be of great value to us, but would come far cheaper if we could buy it all at once? It is possible, of course, that a local municipality might have too "big eyes." It might confidently and sincerely expect a far larger future development than there was any sound reason to anticipate. But that is precisely where the Provincial examination would come in. It would check such optimism. If, on the other hand, there were good ground for "great expectations," the Provincial authorities would see them; and then if these expectations, so soundly based, proved falacious, it would far better surely that the obligations assumed because of them should be honestly met by somebody. The disappointed municipality could not meet them up to the full hundred per cent., or, at all events, at the date fixed; but the Province could pay the small remainder—and would never miss it. Indeed, it would get its money back, over and over again, on the generally low price of all municipal securities.

THE MONOCLE MAN

Among the New Books

By "PAPERKNIFE"

"WILLIAM ADOLPHUS TURNPIKE" (J. S. Dent and Sons) is the first work of a young Canadian writer, William Banks, news editor of the Toronto *Globe*. It reads like the work of a trained newspaper man, with an eye for facts and local colour. It is the story of a most unconventional office boy who is supposed to have spent his office boyhood in Toronto about twenty years ago. Into William Adolphus Turnpike's career fate wove an unusual number of sensations, and nature had endowed him with an uncommon temperament for an office boy. William had a great desire to be a comedian. Therefore most of his life was comedy. In the office of Lawyer Whimple he enacts a number of rollicking comedies which would have been the ruin of any ordinary boy, and one of which temporarily cost him his position. William was always "different." In fact he was so different that he seems sometimes highly improbable. He has a shrewd business sagacity and an uncontrollable desire to break out in unexpected places. He is a master of slang, a good deal of which belongs to the twentieth century, but is conveniently tacked on to the Toronto of 200,000. The city in which William lived is more or less faithfully described. Political meetings, lacrosse games, baseball, theatre performances and elections are all aptly and cleverly depicted, with a plethora of baseball and politics. The descriptions are for the most part drily humourous, and the dialogue naively Turnpikian. There is no heavy reading in the book. It has no tedious philosophy; is never gushy or over-sentimental; rises to no passionate climaxes and portrays no grand, overwhelming emotions. It is a clean, slangy, breezy little story that might be as true of a section of New York as of Toronto. It is not Canadian except in name. It is not precisely humour; but it is not serious nor heroic. It is a simple delineation of the career of a very improbable office boy who became a comedian and remained a human being. It can be read at a single session without taxing the reader's powers of endurance, whatever claim it makes on his credulity. The frontispiece is by J. W. Beatty, A.R.C.A.

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The fall crop of new reading seems, so far as Canadian issues are concerned, more diverse in character than usual. If there is a leaning, it is towards the historical study. Messrs. William Briggs, of Toronto, have several of these in preparation. One of the most important is "The Chief of the Ranges," by H. A. Cody, which deals with that little-known section of the Canadian north, the Yukon district; the story is woven around the trials and tribulations of the Chilkat Indians. The author is peculiarly fitted to treat of this subject, inasmuch as he has travelled through this district several times, and has picked up a great deal of informative lore from these aboriginal people, which he weaves into a story of happenings heretofore unknown to the average reader.

Another book which touches on territory a little farther south, and which is to be issued shortly by the same house, is a study of the Hudson's Bay Company, and Winnipeg. The title is to be "The Company of Adventurers," and the author is Mr. Isaac Cowie. In his book, the author deals with some of the more exciting exploits of the founders and early members of this great organization, and handles the subject in a way that is not only absorbingly interesting to students of Canadian history, but also to the public in general.

Messrs. J. M. Dent & Sons, a publishing house which is a comparatively new entrant into the field of Canadian publishers, but one which has already done things, announces a new novel, "Jacob Elthorne," by Darrell Figgis, for early publication. People over the water learned long ago that anything by the Dent people is good, so great things are expected of "Jacob Elthorne." They will also publish a volume of short stories by Mr. Alan Sullivan, who is well known to Canadians. Each story will be prefaced by a short poem by the author. The book is illustrated by Mr. J. W. Beatty, one of Canada's most brilliant artists.

The Musson Book Company, of Toronto, announce that they will publish "The Woman Thou Gavest Me," the novel by Hall Caine which is creating such a sensation in England, and which is also known to readers of Hearst's Magazine.

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"John Barleycorn," by Jack London. No one of the leading writers of to-day would have written this book but Mr. London. No one could have done it so much justice. And the reason is that the story is a story every chapter of which has been lived by its narrator. From the age of five until now, Mr. London has been accustomed, growingly accustomed, to drinking. Alcohol has now become a passion with him, until he drinks—as he himself admits—more than is good for the physical or mental health of him. Jack London, a little kiddie of five, carried a pail of beer to his father and his friends, who were harvesting in the American West. Something prompted him to taste the beer. It was revolting, yet he drank on, till an hour later he lay under the shadow of the hedge, drunk. Two years later, he drank again, was drunk again. A very few years later he ran away from home, and boarded a merchant ship which was under the care of a man who could never leave the booze alone. Jack London increased the frequency of his carousals. At sixteen, nobody could teach him anything about drinking. At eighteen, he could outdrink the toughest longshoreman who ever put his lips to a bottle. World rover, oyster pirate, sailor, eventually writer, Jack London ultimately came to the point where he could not work, could not live, without drinking.

In this book, he traces his steps along the line of intemperance. He began by hating the booze; he

(*Concluded on page 16.*)