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SOCIALISM AND INVESTMENTS.

FOLLOWING upon a period of marked net depreciation, the year 1908 brought smaller recovery in London Stock Exchange quotations, than had been hoped for by market interests. Without doubt, the recovery was considerably less than might normally have been expected during a year of monetary ease—so far as British securities generally were concerned. American stocks, on the other hand, advanced more strongly than actual business conditions and outlook warranted; a fact which is now generally recognized.

Aside from the influence of foreign politics, the adverse factors affecting British stocks during 1908 are summed up as follows by The Bankers' Magazine, of London: "The after-effects of severe losses extending over several years, the stagnation on the Continental Bourses, the large new capital issues, and constant apprehensions at home concerning socialistic legislation and the national finances."

That the menace of socialism is no merely imaginary bugbear to the British investor is evident. Mr. Haldane, Secretary for War in the Asquith cabinet, goes so far as to say that, "perhaps the most widespread fear and apprehension of the present is not concerning the national defence, but about the spread of socialism and its effects on credit and many other things." More than one province and municipality in Canada might with profit ponder these words before swinging out into the current of socialistic tendency that is here and there apparent in the Dominion.

THE HOMELY VIRTUE OF THRIFT.

ANOTHER message by an old-world statesman is not without application to Canada. Lord Rosebery has recently urged—and to an audience of canny Scotsmen, too—that there should be more careful cultivation of the homely old virtue of thrift, the which has given France its pre-eminence as a banker nation. There has undoubtedly been a movement of late years in Britain and America alike, towards a more expensive standard of living. This has pervaded all classes of the community, and makes for anything except well-filled old stockings available for investment.

MUNICIPAL TRADING.

MUNICIPAL finance is one of those delightful subjects whose appearance differs according to the particular colour of the critical spectacles affected by the spectator. Equally it is one of those subjects about which every man in the street will argue and lay down the law on the slightest provocation. Accordingly the perusal of many of the year-end articles that have been written anent municipal finances in Great Britain is well calculated to make a disinterested looker-on smile.

The most striking fact revealed by the newly issued figures is the large decrease in the capital expenditure of the 326 municipalities which are engaged in "trading" operations. It was only a little over 9 millions of pounds sterling last year, as compared with 17 millions, as recently as 1903.

This increasing modesty on the part of Borough Councillors is doubtless connected with the corresponding increase of coyness on the part of the investor during recent years, so far as British municipal stocks are concerned—coyness which has necessitated all sorts of dodges for the raising of the necessary wind. The municipal "Tram" has always been an idol in the old land, and judging by the amounts which have had to be contributed from the rates to make up tramway earnings, a good many of the smaller towns have in this direction bitten off more than they can chew. Such allowances from the rates are, however, outweighed by the contributions of the larger provincial centres in aid of the rates, so that the net result of the year's municipal trading is a profit approaching £700,000 applied in reduction of rates. Ostensibly, this is "net profit"; it would be interesting to know just how adequately allowance has been made for depreciation and so forth.