

it is effective, for it carries with it a sense of conservative safety, the only persuasion being the final statement—"We recommend these bonds as a thoroughly sound investment," or "We consider this is one of the strongest Canadian Industrial Bonds and unhesitatingly recommend same as a conservative investment."

But the majority of Canadian companies, either because of their speculative nature or limited capitalization, or for some other reason, do not sell their securities through investment houses, but make their appeal direct to the public through newspaper and magazine advertising, through circulars and follow-up letters, and through salesmen.

Not infrequently the secretary-treasurer of the new company undertakes the sale of the stock. More frequently he calls in the assistance of a financial agent who has had experience in following up advertisements; and in some cases such agents, with a dozen or so stenographers, undertake the entire sale for which they are paid, sometimes a cash commission, often a cash commission and a small common stock commission.

In reaching the investor through the mail or general advertising some literature is necessary, and since W. Bonham printed the first prospectus in London about 200 years ago, in which he attempted "a proof that the South Sea Company is able to make a dividend of 38 per cent. for twelve years, fitted to the meanest capacities," prospectuses of every description have been issued in all industries to prove the most impossible things.

The prospectus is often a work of art. The covers are artistically designed, the paper is of high quality with expensive cuts and frequently pleasing border designs on the pages, while the press work is performed with care and precision. A good prospectus appeals to a large number of people, holds their interest and inspires confidence. A poor one frequently means disaster to the flotation from the first.

A striking contrast is afforded by two fox company prospectuses issued in 1914. The former is an admirable effort of a dozen or fourteen pages, printed on attractive paper with photographs of foxes and ranches at the foot of each page. The reading matter is well prepared, the argument well written and finished. The cover is pure white but set off attractively by a raised design in black of two foxes, one sitting upright, the other reclining. The whole is bound by a white cord, tied outside, and the general effect is very pleasing. It creates a good impression and inspires confidence in the company.

*(Continued in next Bulletin).*