

a mere bagatelle to reserve. We see architectural monstrosities, and vested interests in poles and wires that should have been strangled at their birth. Palaeozoic Montreal and Mesozoic Montreal are rich in the fossil evidences of blundering negligence; what about Neozoic Montreal? Are we bound to repeat in the New Montreal the blunders of the Old? All the signs of the times indicate that within the next five or ten years the Island of Montreal will have another city as large, as rich, as populous as the one we now occupy, or rather that our metropolis will expand to about double its size. Is it not possible by forethought and prudence, by judicious expenditure and wise economy, by good taste and common sense, to avoid in the New Montreal the costly and injurious blunderings which have characterized the grand old city which was never planned but "just grown?"

There is a special reason why the tax-payers of Old Montreal should take a lively interest in the growth of the suburban municipalities which must become part of itself. All experience has shown that the improvements of the new wards, that is to say chiefly the rectification of their early blunders, have to be paid for, largely by the tax-payers of the old wards.

The New or Greater Montreal is in sight and it is a factor that we have to reckon with very soon. For financial, sanitary, fire protection, and aesthetic reasons, we ought to have a committee of competent men laying out plans for Montreal's growth, as systematically as Ottawa is being improved by the able Royal Commission which has achieved simply marvellous results.



Capital's Opportunity. THEORIES abundant and varied have been put forward to explain recent world-wide conditions of dear money and cheap securities. Anti-railroad agitation and labour unionism in the United States, socialistic governmental tendencies in Great Britain, income tax proposals in France, general unrest in Russia—these and several other alleged "chief causes" have been blamed by this or that economic elucidator. Some, perhaps all, of these may have had no little influence, but the broader and underlying cause is undoubtedly an unprecedented, because worldwide, expansion of industrial and financial activity. In this connection it will be remembered that the United States experienced a season of undigested securities in 1903, and that the severe strain upon American capital was then felt seriously in England. But, all the while, the markets of Germany and France were practically undisturbed and capital

with them remained plentiful. Similarly, two years or so earlier, when Germany was strenuously bidding for capital and London experiencing a decided strain, there was abundance of ready money both in Paris and New York. But this year the scarcity of money has not confined itself to one country, or group of countries—the condition has been well-nigh ubiquitous.

About the most clear-cut summing up of the situation is that given recently by M. Paul Leroy-Beaulieu, well known internationally as an economic thinker and writer. America, as M. Beaulieu calculates, is asking for about \$2,000,000,000 fresh capital yearly—while the country's annual increment of capital does not reach nearly to that amount. The obtaining of capital from other countries and the withdrawing of resources from older American investments have been the inevitable results. Last year, strong efforts were directed to the first alternative, but it was soon discovered that in Europe, too, there were home needs calling for practically all available capital. Indeed Germany, for instance, was making heavy demands upon other countries. At the present time there are only four countries, M. Beaulieu states, which can to any extent export capital. These are England, France, Belgium and Holland. And England he considers somewhat out of the active running on account of her process of recovery from the Transvaal war strain, and also owing to prior demands by the colonies.

In M. Beaulieu's judgment there must be some slowing-up until supplies of accumulated capital again exceed the demand. This check to activity has already manifested itself in price-reduction on financial markets, but he believes that more fundamentally it involves reduction in the price of raw material of manufacture, the unusually high level of which he considers largely responsible for the absorption of capital in productive industries. His practical advice to industrial markets is that some of the plans of expansion already begun should be postponed for a time, at least.

There is, however, nothing of "blue ruin" in the predictions of M. Beaulieu. For the investor who can possess his soul in patience, his message is one of decided good cheer. As *The Evening Post* of New York remarks:

"His opinion clearly is that a period of hazardous inflation is being brought to a fortunate close, and that the financial and industrial situation is not only more normal, but much safer, for the check. His feeling as to the future is sufficiently indicated by his advice to investors that the present situation offers to capitalists, large and small, a legitimate opportunity for placing their funds to advantage, such as they have not witnessed in twenty years."