

a club at the head of corporation control. If this is to be done, notice thereof should be given at the beginning of things. It should be printed in the prospectus of the company concerned. To attempt to stampede invested capital and its advisers into a bargain by threats of competition and plant duplication is obviously improper. It is worse than the worst monopoly. No one can read into the Toronto agreements that competition there shall not be. But whatever is done, the primary rights of capital must be guarded. If there be any question of their violation, it is usual to look to the legislature for succour. In the case of Ontario's electrical concerns, the provincial government unfortunately is not the defender.

The whole subject reminds one of the bird which builds its nest and lays its eggs therein. The unscrupulous and migratory cuckoo, without thought for the labor and energy and investment of its confrere, lays its egg in the other's nest. The result is the wrecking of the weaker bird's home and the survival of the conscienceless cuckoo. It is the policy of wrecking invested capital that this country cannot afford to tolerate. And reasonable discussion regarding unfair monopoly or unfair competition are necessary to healthy economics.

The effect of these things in the money markets is a serious consideration. Winnipeg, for instance, will shortly float a million dollar loan in the London market. This is for its proposed power scheme. Already that market is anticipating the advent of this and further stock issues. Mr. W. R. Lawson, the well-known financial authority, has discussed in the world's metropolis the Ontario and Winnipeg power schemes. Regarding the former, he says: "This dog-in-the-manger game has been going on for several years, and apparently it will go on until the Hydro-Electric Commission is ready to begin business, whether that be one year or ten. It has taken the Commission about five years to turn the first sod of its transmission line, and, at the same rate, it may require half a century to drive the last spike. Meanwhile, the private company, which for the past two years has been willing and ready to furnish power on reasonable terms, is cut out from the best part of its business—the supply of power in bulk to municipalities. If the Government had set up a bona fide competition—something of flesh and blood—the issue might soon have been settled one way or the other. But what it has done is to tie the hands of the private company and keep it waiting indefinitely for competition which as yet exists only on paper."

Referring to the Winnipeg scheme, Mr. Lawson states that the city council has been offered all the current it can need at a much lower rate than the municipal supply would cost. The municipalizers are pretty harmless, he adds, "as the invitation which Winnipeg sent all over Canada and the United States to tender for an electrical loan did not produce a single response." Therein is an unhappy heralding of the stock issue in London. We are concerned little with the individual cases of Winnipeg or of Toronto. But these are flagrant cases—two of many which will in time have a bad moral effect on the world's money markets so far as Canada is concerned. The investor abroad is as well and often better informed of things Canadian than are many at home. They have no respect for political engineering, especially when it interferes with the proper conduct of proper finance. Canada is not entitled to ask for large sums of capital unless it can guarantee proper safety and consideration to the trust it receives.

CULTIVATING THE SMALL INVESTOR.

The thirty million dollars Dominion loan floated in London last month has brought forth a variety of criticisms. About fifty per cent. of the loan was left on the underwriter's hands. In the case of Government loans floated in Britain, that is not unusual. The individual

investor seldom takes more than about half the issue. The present loan is generally considered a success. Canada has drawn largely on the big British investor. Last year, Canadian Government loans amounted to \$65,000,000, and this year already \$30,000,000 have been applied for in Britain. Railroad, industrial and other loans considered, it will be seen that the strain on the overseas investor is strong.

It is argued by some that to satisfy our future monetary needs a new market must be created in Britain. This can only come of the small investor. The Dominion loan last month is thought by some to be a feeler in that direction. The London financial press have welcomed the innovation. The only note of regret therein seems to be the fact that Mr. Fielding got ahead of Mr. Lloyd-George in this mode of financing. As is well known, numerous loans catering to the small investor have met with success in Paris. A Pennsylvania issue of \$50,000,000 not so long ago was well disposed of there. The Glasgow and Bristol municipalities, we believe, are recognizing the wisdom of cultivating the man of moderate means who desires a sound investment.

The diminutive capitalist is a big factor in Britain. Mr. F. W. Hirst, a financial authority in London, thinks that the co-operation of this individual will not only give stability to the credit of Canada, but increase and stimulate interest of people in the Motherland in the affairs of the Dominion. It may very well give an impetus to the right kind of emigration, he adds, and concludes that the small investor will not be long in finding his way to the handy, little ten-pound bonds, with coupons attached, yielding 7s. 6d. a year, together with perfect security.

It would cost a little more to float such issues, and much educative work doubtless would have to be done before unqualified success would be met. Opinions differ widely concerning this question. Anyway, getting acquainted with the small British investor is a subject for interesting discussion, and most likely for immediate activity.

MUNICIPAL REFORM AND SECURITIES.

While much reformation work regarding civic administration has been performed, there remains more to do. The up-to-date and proper conduct of municipal affairs has a vital bearing upon the marketing of municipal securities. The clean, straightforward policy does not advertise rapidly the substantial standing of a town or city. But, like a good man's quiet deeds, a reputation is thus slowly built. Once fashioned, it is usually lasting. To build municipal credit on the basis of constant efforts to improve is better than to erect that credit on the quagmire of scandal or carelessness. The shortcomings of Canadian municipalities have not been overlooked by those desiring to harm the credit thereof. Unpleasant incidents, in some cases trivial, in others almost obliterated by age, have been dished up with twentieth century dressing. And without doubt they have hurt the municipalities concerned. There is but one cure. Eliminate the opportunity for harmful criticism.

The popularity of Canadian municipal issues with the investor is strongly defined. The insurance companies of Canada have many millions so invested, as also have the United States companies. The small investor, too, has become a considerable factor in the market. With the eyes of so many turned towards this class of investment, it is obviously the duty of municipal officials to place their civic houses in order.

The Union of Alberta Municipalities have passed a resolution regarding the issue of debentures. They feel that these should undergo Government scrutiny, and if satisfactory should be declared incontestable. If such a scheme is possible, it would doubtless enhance greatly