slaughter of "wildcats" whenever they feel so disposed, there is before them an almost unlimited field.

Mr. R. R. Mabson, the editor of the London Statist, recently spoke to the Monetary Times concerning this question. He is one of the "Show-me" Britishers of the ultra-Missouri type, and his criticisms are valuable. Writing on the subject, he says:

"There are two main points to be noted in connection with the safeguards provided for the public by the Ontario Legislature. The first is the general inability to secure the filing of information of important character as to the conditions affecting investors in foreign-formed companies operating in Ontario. The second is the ability of mining companies formed in Ontario to issue their scrip at a discount or at a premium. A case in point as to issue of shares at a discount that came under my observation was that of a company allied with the mining industry registered in Toronto. The docket of such company showed that of a capital of $1,000,000 the company paid $380,000 in shares for the right to conduct smelting operations, and for the advice and services of experts. It did not appear to obtain any buildings or plant for the $380,000 paid away in shares. Of capital provided for securing working cash, it passed a by-law authorizing the issue of 500,000 $1 shares at the price of 50 cents each."

The 500,000 shares were sold to a firm in Toronto, Mr. Mabson says, at approximately the same date as that of the authority given for the issue of the shares at 50 per cent. discount, and the firm in Toronto offered the shares by public advertisement to the public in the country at the price of par! Being offered by the owner of the shares, there was no obligation on him to set out in the advertisement the price he paid for his shares. The broker's advertisement was not on all fours with the prospectus of the company as to disclosure of vendor, etc., agreements. "Any similar advertisement may be as eulogistic and puffy as can be imagined, but a prospectus, if advertised, has to be a matter of fact. It is this sort of procedure as to big payment of consideration money and selling of shares and resale by the buyers that leads to scandals. But the public records, if they had been referred to, would have disclosed the conditions which were not disclosed in an advertisement offering the shares for sale at par.

"The ability to issue shares at a discount is one that can very readily be abused, and, indeed, one may, without any fear of the law of libel, advance the assertion that it is being abused in several directions. There are instances in point where $1 shares of newly-formed companies are, at the price of 10 cents per share, being peddled out by advertisement in the Canadian newspapers, and when they are offered at 10 cents it means that some intermediary gets a profit at even that low price of one-tenth of par value. Naturally, therefore, it behoves the investor who is tempted to take an interest in mining ventures in Ontario to be extremely careful to see that he knows the conditions of the formation of the company, the property that is to be acquired, what is to be paid for it, and the amount of working capital that the arrangements of the company provide for. Unless these material facts are disclosed in any invitation to subscribe for capital, the less the speculative investor has to do with a concern of such character the better.

"A curious feature is that many of those associating themselves with ventures, who try to induce the public to buy shares at what many people will think low prices, do so by advertisements in the papers, escaping the liability for prospectus misstatements; and these advertisements sometimes are of the most outre and extravagant character. Perhaps not more than a hole a few feet in depth has been sunk into the ground but it is made the text of a screed as to the property showing indications that make it likely to be the 'biggest mine in the world,' and all that sort of nonsense. The very extravagance of the language in these advertisements has defeated the end, so far as educated and thinking investors are concerned; but when a small speculator sees an advertisement, with all its alluring language, and dollar shares offered to him at the price of 10 cents each, he thinks he cannot lose much and may get a great deal, so he planks down his cents freely. This sort of business is giving Canada a very bad name on this side of the water, and it is well to put the Ontario Government right with mine investors here in showing how it has endeavored to provide safeguards for the protection of the public. While the great majority of companies are formed on the most slender basis of material merits disclosed by developments, there are some soundly conceived companies whose properties may turn out very valuable. If on a proper financial basis share interests in such concerns are offered in London, a very different reception will be given to them to that afforded to what are familiarly termed the 'wild-cats.'"

Great credit is due the Provincial Secretary for his careful framing of the Companies Act. But there is scope for the more strict enforcement of its provisions. In Ontario newspapers of otherwise unquestionable respectability have advertised the most flagrant "wild-cats." In addition to the many offenders claiming Canada as their home, much of this unclean advertising has come from the United States. It should not be left to fearless journals to check such undesirable methods. Windbag promotors imagine that every editorial page is purchaseable at a price. When they discover, in a few instances, this is not so, a shelter in the shadow of legal technicalities is sought. No cogent reason exists for Ontario not enforcing its company laws to the last letter. Such an example might well be followed by the other Provinces, in some of which are worse offenders than in Ontario.

Cobalt was first regarded in Britain with suspicion, later with contempt, and now with some ridicule. This because some mining stocks were being quoted in London at a higher price than they were being offered in New York at the same time, because alleged engineer's and development reports were foisted upon the British public as truthful documents. They received a cursory glance, and were tossed away with probably the remark, "More Yankee stuff"; in which utterance there is one consolation—many of them really emanated in Chicago, New York, and other such cities.

Foreign companies should not be allowed to besmirch Canada's financial reputation. There are clauses in the Companies Act regulating the operations of foreign companies doing business in Canada. If our legislation is not sufficiently powerful to prevent the importation of fake promotions, there is necessity for more stringent laws.

DEPRESSION.

Look on the bright side of things, we are told. But it pays to be sufficiently curious to examine the other side sometimes. Whether or not Canada is to experience a trade reaction is the moot point. The question might be asked in the present tense. Some men run around the country shouting to all who care to listen: "Trade is flourishing; things were never better." This until their last coin changes into dingy coppers. It is well to look on the bright side of things; give ear to those who say the country is all right. They are correct.

Again, it is advisable to know that in Winnipeg, in Montreal, in Toronto, or any city or town you may mention there are men who will tell you that "Collections are not what they should be"; that "Payments are bad"; that "We are feeling the pinch of tight money"; that "We are on the fringe of a depression." Then every day comes a story from some point or other, saying that such-and-such a firm has laid off so many hands. Add to this the proper refusal of our banks to finance risky speculation, the car shortage, the effect of the Wall Street slump, and the world-wide financial