The Monetary Times

Trade Review and Insurance Chronicle

Vol. 51—No. 19 Toronto, Canada, November 8, 1913 Ten Cents

The Monetary Times
OF CANADA

PUBLISHED EVERY SATURDAY BY THE MONETARY TIMES PRINTING COMPANY OF CANADA, LIMITED

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The Monetary Times was established in 1867, the year of Confederation. It absorbed, in 1869, The Intercolonial Journal of Commerce, of Montreal; in 1870, The Trade Review, of Montreal: and The Toronto Journal of Commerce.

Terms of Subscription, payable in advance:

Postpaid to any address in the Postal Union:

One Year	Six Months	Three Months
$3.00 (12s.)	$1.75 (7s.)	$1.00 (4s.)

Copies Antedating This Issue by More Than One Month, 25 Cents Each.
Copies Antedating This Issue by More Than Six Months, 50 Cents Each.

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All mailed papers are sent direct to Friday evening trains. Subscribers who receive them late will confer a favor by reporting to the circulation department.

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PRINCIPAL CONTENTS OF THIS ISSUE

NEGLECT OF THE "SMALL INVESTOR"

Some reasons as to why loans in London fail are cited in folders of Reuter's telegraph agency. Although these pamphlets are circulated with the object of securing advertisements, they contain facts which are not always sufficiently recognized by large financial houses. "How is it," it is asked, "that the public refuses to subscribe to a good investment, even although the first financiers of the land, with all their ability, are willing to ensure that they will take it? How is it that the shares of some pushing speculative company, with doubtful prospects, may be readily subscribed or bought, while first-class investments are ignored?

"One answer to the question is that the public is not sufficiently aware of the opportunities of these investments. As a rule, because of the dignity or something of the sort of those responsible, the loan issues are grossly under-advertised. The experienced financier, the careful reader of city articles, and so on, may realize their attractions, but they are not properly explained to the great public, and the issuing houses will not stoop from their pedestal to explain. Thus the sound loan is pushed aside by the more enterprising company monger, market-maker, or bucket shop keeper, who knows how to present his wares attractively. The brief technical prospectus issued by the representatives of nations and states and cities makes no appeal to the great public, with the result that it holds aloof."

There is considerable truth in this. Frequently the "small" investor in Great Britain is appealed to and reached by so-called investment offerings which are not worth a sou. A typical example is the offering in Great Britain of 20,000 shares of $100 each of the Union Life Assurance Company of Toronto. At the time of the offering the company was in deep water, yet $700,000 worth of shares were sold at a premium, and every British investor who subscribed paid cash in full. A quotation on the stock could not be obtained at the time in Canada. That is only one instance of over half a million dollars going into polluted financial channels when available there were clean investment streams. The latter, however, were not properly advertised. The reputable financial house should learn the art of finding the "small" investor. This would accomplish two things—give more business to the legitimate house and help to strangle the unscrupulous promoter.

SHAREHOLDERS' RIGHTS

According to information received by *The Monetary Times*, the annual meeting of the Spanish River Pulp and Paper Company and the Russell Motor Company broke away from Canadian precedent. Usually such a gathering consists of a congregation of officers, directors, president, some silent shareholders and many powerful proxies. Typewritten resolutions prepared beforehand are submitted at the meeting and made into the unanimously passed brand with the accuracy and rapidity of a sausage machine. The shareholders merely hold up their right hand timidly, or say "Aye" in a whisper. This universal approval on the shareholders' part may have been the result of good management and finance, for seldom have Canadian shareholders had just cause to complain.

During the past few years, however, some of our companies have passed days of strenuous financing. They have not made the annual statement look the most cheerful of documents. This fact has brought with it a new type of shareholder. He was content in the olden days to sit quietly at an annual meeting where everything was obviously cut and dried. According to reliable reports, the directors and officers of the Spanish River and the