

## DON QUIXOTE IN FINANCE.

taking a responsibility without exercising it. Anyone who has much to do with lawyers knows that they tend towards shifty compromises, in which they resemble politicians. When they rise high in the regard of the money-lords they have special privileges: I have been told that there are only two counsel in Toronto who can misquote evidence in court and get away with it. The inference to be drawn from this is that two men have such privilege. And this becomes more interesting when it is said that the two counsel named to me are leading men in Toronto, and in the habit of receiving retainers from the money-lords.

Any lawyer who displays outstanding ability is immediately taken hold of by the money-lords; he becomes solicitor for a bank, or a trust company, or an insurance concern, or what not, and is so put in a position where to take a case against the financiers is to quarrel against his bread and butter—which no man is expected to do.

It is said that a man who takes his own case into court has a fool for a client; but what is to be done if one may not trust his lawyer?

Rufus Isaacs, Lord Reading, was a stock broker on the London Exchange. Through no fault of his own he was declared a bankrupt. The injustice put upon him made him determine to study law and go after the brokers. He did so and he won so many suits against them and established such a reputation, that he ended as Lord Chief Justice of England.

### THE STOCK EXCHANGE.

The stock exchange occupies a far greater place in our economy than most people realize. It is largely the kindergarten of our real governors, our bankers. It is, in a way, the trustee for our bank depositors. A bank president may also be the president of any flotation. The danger that lies in this condition is illustrated by the following: Suppose a bank president floats a company for \$10,000,000 capital and, by manipulation, inflates the stock to 100% above par; then, by the use of dummies and guinea-pig directors, he may extract anything up to six or eight million dollars of the trust funds in his hands, and escape gaol; in fact, gaol seems to have gone out of fashion for Canada's high financiers. Our Attorneys General don't seem to function where they are concerned. Cases have been known where insiders have waived their dividends so that great returns may be made on outstanding capital to justify its price in the market.

It is preposterous that the member of a stock exchange firm should be a director, not to say president, of one of our chartered banks. He knows when money will be tight, or he can make it tight, and he sells stocks. He knows when money will be easy, or he can make it easy, and he buys stocks; what chance has the outside speculator got against him?

There is a sign of method in the great antagonism of Toronto brokers against the bear: if they were merely brokers they would cherish the short seller, because they make their chief (legitimate) income out of him. But the Canadian broker is also a promoter, and very often he is a banker or the associate of a banker. With the bear eliminated, he can carry on his market rigging and extract the bank's funds into his own pocket, and escape gaol—the real desideratum.

### THE STOCK BROKER IN HISTORY.

Samuel Johnson defined a broker as, "a mean wretch." "In 1719 appeared a rabid work entitled: 'The Anatomy of Exchange Alley, or a System of Stock Jobbing. Proving that scandalous trade, as it is now carried on, to be knavish in its private practice and treason in its public.' The writer was described as a jobber, but it was Defoe." (Duguid's "Stock Exchange," page 19.) Lady Dorothy Neville, in her diary, describes the struggle stock brokers