

hear nearly so much about them, probably because they are fewer in number. In Germany such a position as theirs would have been impossible. The law there (and German laws are fairly well enforced) provides that the capitalization of a company must not exceed the actual investment, in stock or cash, in that company. Of course in Germany, as in any other country, some corporations fail in business, but at least the dice are not loaded against the small investor. When such an investor buys a \$100 share, or what corresponds to it, in a German stock exchange, he knows that in the beginning at least, it represented an actual investment of that amount. This is far—very far indeed—from being the case in the United States, England, or Canada.

Canadian Combinations.

In the past few years, combinations of various kinds have been formed in Canada on the model of the American trusts. The year books published by the Monetary Times in 1913 and 1914 give lists of such combinations extending over several pages. The capital of these combinations and the capital of their constituent units are given, and it is only in rare cases that the bonds and preferred stock alone of the combination are not equal to the bonds, preferred and common stock of its constituent bodies. If, then, the amount of stock in the constituent bodies actually represented the value of the property turned over by them to the combination, the common stock of the combination represents no actual investment and may be said to be only the capitalized value of prospective monopoly profits yet to be earned by the combination. Most of these combinations—for instance the Canada Cement Company—have not yet paid any dividends upon their common stock, which apparently does not represent any actual investment, but is merely the capitalized value of prospective earning power. This is, indeed, the case with a great many of our industrial combinations, as any one can see for himself by consulting the Monetary Times Year Book.