

greatest man in Canada's Pacific Province. That thought is an ideal one. It is very good sentiment. But sentiment and business are not excellent friends. The fact remains that British Columbia, the equality-of-man theory notwithstanding, does not regard the Japanese in as equal esteem as the greatest man in that Province. To talk of breaking down race prejudice is as practical as the gospel of inviting to your dinner-table the colored cook. Race prejudice has for its birth the same basic cause as social prejudice. One man considers himself on a higher social plane than another. *One race counts itself on a higher plane of civilization than another. Race prejudice can never be broken down so long as East is East and West is West. And that will always be.

As nations, we may in time come to admit that a man is a man anyway. But the confession that one is as good as the other is far distant. In solving this problem Canada has one great advantage. It is but on the threshold of the trouble. It is neither too late to think, nor to act. The exclusion of Oriental labor from British Columbia, taken as a step to ensure the Dominion's freedom from racial controversies, will mean a serious check to the development and prosperity of the Province. This fact should not be lost sight of in the heat of much vituperation.

THE WESTERN CANNERIES.

The enterprise of Mr. F. H. Malcolm, of the Western Canneries, and many other unique concerns, is a wonderful thing. His effort to win over the editorial columns of the Monetary Times having proved a failure, he has mailed a circular, stating that an epistle of his forwarded to this journal was refused insertion. Which is quite true. Why? We quote from our issue of September 7th:—

"For one reason alone Mr. Malcolm's requests cannot be granted. The Monetary Times has in good faith criticized the organization of the Western Canneries. It cannot conscientiously accept money on any account whatever from a concern for which it has little respect."

When we think any particular organization deserves notice—a reference even which will displease its promoters—certain solicitors' letters or attempts to buy our editorial columns are a waste of energy.

Now that Canada, as an investment field, is receiving the attention of the capitalist of many countries, it is more than ever a time for an era of clean-Canadian finance. We do not think that the Western Canneries, Limited, or the proposed National Bank, which is an inspiration from the same source, are organizations which can win the confidence of the investor who expects straightforward dealing.

At the foot of Mr. Malcolm's latest circular is this sentence: "The Monetary Times refused to publish this letter and add to it, although paid for." The last three words, of course, are untrue, but the object of such a misstatement by the optimistic Mr. Malcolm is very obvious, and will be taken at its true value.

MUNICIPAL FINANCING.

The interesting article by Mr. Kinnaird, of Edmonton, which recently appeared in the Monetary Times, has aroused a great deal of discussion in financial circles, as also the criticisms of his proposed Bureau. We fear that Mr. Kinnaird feels that in the present monetary stringency every man's hand is against the municipalities. He does not fully appreciate the fact that Canada is in the growing period. The complaint that our municipalities cannot obtain money as cheaply as British and European municipalities is hardly admissible. Years ago these cities established their credit and proved their permanence.

The idea of the more ready acquisition of money at cheaper rates of interest and the marketing of debentures direct to the investor are the keynotes of the suggestions,

and which he feels the proposed Bureau would accomplish. The reasons for the high interest rates ruling to-day must be considered. They are the lesser supply than demand, together with a complete loss of confidence on the part of the investing public. The demand for money so far exceeds the supply that the lender has the whip-hand, in that he can practically name his own price for money, and at the same time have the privilege of choosing a security to suit his own ideas. No bureau of the nature proposed could overcome these conditions.

An offering of bonds through a reputable and conservative bond house would probably appeal much more strongly to the investor than through what must be considered a vitally and purely self-interested source, such as the bureau would be. This institution would, it is suggested, have as the first of its duties the "collection and tabulation of complete statistics arranged in such form as will appeal most readily to the bond buyer." There is a regular set form of statistics required to be filled in by the proper official of the municipality, as it is upon these figures that the investor forms his opinion as to the financial standing of the municipality. It seems, therefore, that it is not a question of putting the figures in such a form "as will appeal most readily to the bond buyer," but in a manner that shows conclusively and clearly the exact financial status of the place.

British and foreign capital is not by any means closed to the municipalities. Great Britain and Europe are the money markets of the world, the Mecca of the borrowers, and have the privilege of choosing. The opinion which some of them have regarding the extravagance of certain Canadian municipalities is probably merited. In times of money stringency, as at present, not only individuals and firms must contract their expenditures, but the same applies to municipalities.

"Apparently the British and foreign investors know so little about our securities, and have so little opportunity of securing authentic and reliable information regarding them, that it is quite reasonable to conclude that less remunerative, and perhaps less reliable, investments, are proving more attractive, merely because they have become more familiar with them." We cannot agree with this statement, and believe the opportunity for obtaining authentic and reliable information fairly complete.

Uniform system, better accounting and auditing, and better practice are excellent ideas. But a Bureau is scarcely necessary for the accomplishment of these ends. With the idea of the municipalities having more complete and reliable information in regard to the state of the money market we agree. Municipalities would then be more apt to dispose of their debentures. As long as the money market is easy, there is a ready demand for municipal debentures on the part of investors, and a spirit of competition is engendered among the bond houses, the result being that no difficulty is experienced in marketing their bonds. There is a fairly good market for municipal bonds to-day, if the seller is willing to accept the market prices, but when a municipality desires to dictate its own terms for money, not in accordance with market conditions, it cannot hope to make a sale.

We are inclined to think that the proposed Bureau would not work out in actual practice. In any event, the advantage, if any, would accrue to the larger municipalities, and the smaller ones would suffer to a great extent. As Shakespeare has put it, "It is better to suffer the ills we have, than fly to those we know not of."

BEGINNING OF THE END.

Judge Longley has spoken—at great length it may be, but clearly. He was deputed to decide the merits of a most regrettable dispute. As is usual in cases where great issues are involved, an appeal against the decision of the judge has been lodged.

The famous cartoon, representing two lawyers dividing the succulent oyster, the defendant and plaintiff