

everybody knows, a group of southern speculators have succeeded in cornering the remnants of the 1910 crop, and they are levying their blood-money on the manufacturers and on the consuming classes. They have been helped in their campaign by the drought that has prevailed in portions of the south. The weather reports state that on the whole it is still hot and dry in the cotton region, although the drought was partially relieved by local showers. The high prices ruling for cotton have resulted in the planting of a record acreage, and it is to be hoped that the weather conditions will develop in such manner as to break the backs of the speculators who are endeavoring to hold up industry and trade by means of their corner.

Monetary conditions in Canada are practically unchanged. Call loans are quoted at $5\frac{1}{2}$ p.c., and there is no material relaxation of the stringency. The importations of gold have, however, had some influence in increasing the cash in bank vaults. However, the bankers are apparently of the opinion that the demand for credits will be exceptionally keen in the fall—particularly if the estimates regarding a western wheat crop of 200,000,000 bushels are borne out by the facts. And it is their policy to keep reasonably strong in cash during the summer so as to be in a measure prepared for the fall. Under these circumstances it is perhaps not to be expected that they will let funds go freely for the purpose of supporting speculative movements on the Canadian exchanges. And the continuation of a moderate degree of scarceness is, therefore, quite probable.

PUBLICITY REGARDING MERGERS.

Notwithstanding all that has been said against the merger craze the promoter of industrial combinations refuses to lessen his activity. The merger movement being thus still in force, we suggest that the investing public should be given the fullest information regarding the premiums and bonuses allowed to the promoters of these undertakings. It is in connection with this detail and in connection with the purchase money paid to the leading concerns going into the consolidations, that abuses usually occur. And if a satisfactory measure of information is not provided, the public would be warranted in assuming that the new mergers will follow the lines of preceding consolidations; and it may be suspected that the capitalization will be excessive.

When an industrial concern is operated as a private company, and the men who manage and control it contribute or are responsible for the whole of the capital used by it, then there is no call for publicity regarding its affairs. It is to be assumed that the bankers and other parties who

give credit to it will acquaint themselves with its condition and circumstances. Others, not interested financially, have not the same right to information. But when the concern amalgamates with other concerns and a public issue of bonds or stock is made, privacy should not be maintained. The investors who are invited to put their money into the securities are entitled to full information regarding the vital facts. And among the facts bearing vitally upon the consolidation's future prosperity are the following: compensation paid to the promoters, and purchase price of individual companies. These are not commonly disclosed; and it may be urged that in some cases it is not convenient to disclose them. But if nothing is said about them the investor in the securities has to put blind faith in the individuals or parties responsible for bringing about the amalgamation. And recent events have shown that in some cases it is not altogether prudent to repose full confidence in these parties. Those who buy merger securities in ignorance of these important circumstances and in ignorance of the salaries or allowances made to certain individuals appointed to high positions in the consolidated Company take a very considerable risk.

THE CHRONICLE has maintained that, on general grounds, the merger movement in Canada should be discontinued. One reason is that money is scarce. There is none too much money available for legitimate industrial and mercantile operations; and, that being so, it is hardly right to tie up millions of the banks' funds in loans to these underwriting syndicates. Then there is serious danger that Canada's credit in London and in foreign countries will be injured by the continued promotion of overcapitalized consolidations. The financial interests in London are well aware of the excessive bonuses allowed to the promoters and their associates. And they doubtless will consider that the indiscriminate promotion of these consolidations is a sign that Canadian financing will require watching.

A DOUBLE LIABILITY CASE.—Mr. Justice Monet has given a judgment exonerating Mrs. P. Cardinal from the double liability of \$1,400 on certain shares in the Banque St. Jean alleged to be her property. The only issue involved in the case was the question whether Mrs. Cardinal really owned the shares. They were transferred to her without her knowledge or consent in 1900; she received dividends upon them in 1904 and paid one call upon them of \$100 by error. The court, however, decided that she had never been properly a shareholder. There are said to be other cases of the same kind in connection with this bank.