

The Monetary Times

Absorbed the INTERCOLONIAL JOURNAL OF COMMERCE, 1869;
the TRADE REVIEW, Montreal, 1870; and the JOURNAL OF
COMMERCE, Toronto.

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The Monetary Times

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WHAT MIGHT HAVE BEEN.

The worship of rumour for the cult of sensationalism is a dangerous thing. By the chance trend of circumstances, by the strength of men knowing their strength, a serious crisis in monetary circles was averted this week. A Toronto daily on Saturday published a statement replete with unmistakable suggestions, and bare of tangible facts. "Pellatt & Pellatt said to be involved in financial panic" was the story in a headline. With particular persons, firms, and journals we are not concerned. But with principles, yes. To announce the failure of a firm, prominent in Canadian finance, at any time would have its bad effect. To publish late on Saturday night an alarming story of a failure which has not occurred is not just the thing for perusal on the Sabbath or any other day. To be smart in journalism is one thing; to be clean is another. It is possible to be both, and at the same time earn one's daily bread. Such phrases as "Said to be," "Believed to have made," "Vague rumours," "It is believed," all of which appeared in the particular article, is excellent material for the writing up of a society scandal. But to carelessly take a reputation, to shadow it with unconfirmed rumours, and toss the result to the public is not the sort of thing one associates with journals which think before they speak.

There has been talk this week, and much of it. Most men can sift chatter from facts. Newspapers do not print news for the love of the thing. Life is a string of ulterior motives. News is published to interest. Sensational stories pander to a certain palate. Then there is the question of politics, which accounts much for the muzzling of a free press, and is largely responsible for the erratic freedom of that same powerful influence. This particular story was printed for a reason. It might have been an editorial thrust. It might have been an attempt to go one better than contemporary journals. The boast that "We were the only paper who published it" is the newspaper men's laurel.

Whatever the reasons, there is no excuse for foisting upon the public statements backed with nothing but rumours and sprinkled with phrases of the "They say" variety. An alleged attempt was made to verify or refute the rumours, which was good sense. They could not be verified, and the unconfirmed news was printed, which might have meant much more than happily it did. The duty was plain. Unverified news should have remained where it was conceived.

Suppose for a moment that the story had been believed. What would have happened? The Stock Exchange would have experienced a panic, the spirit of which has of late been carefully nurtured; a crisis would have been provoked; there might have been a run upon a bank; there might have been bank failures; the Government might have thought it a duty to take over certain companies, directly or indirectly concerned with the failure; indeed, the Government might accidentally have discovered itself sponsor to several enterprises. This politicians would term a coup. All that and much more might have happened. For many reasons it did not. Our banks do not always know the exact strength of their clients. Each is concerned usually with the amount each advances to a certain creditor. There was a flurry among bankers when the misstatement was published. Within a short time of its publication, every bank knew the financial strength of the firm concerned, and there are good reasons for saying that the firm has emerged stronger than ever after the sinister attack upon its position.

A mortgage was filed in connection with the firm referred to. This was regarded by some, perhaps, as a danger signal. Everyone is privileged to a choice of viewpoint. Suppose a firm transacting an enormous business in the world's money markets, a firm margined up to twenty or twenty-five per cent., feels perfectly safe under existing circumstances. Suppose a firm says to its bankers, "Things are looking black in the stock markets. For almost two years securities have shown a tendency to decline, and