mortgaged and its wealth diverted into the coffers of the few. A few prominent Canadians and different friends of Canada have sounded their warnings against these evils. Not long ago Mr. E. B. Osler, President of the Dominion Bank, said: "Stocks are too high, but I fear in many instances there will be a drastic re-adjustment of capital necessary in addition to stock market re-adjustment of values. I mean, of course, the mergers in particular, where in many instances the amount of water necessary to squeeze out before the capitalization is in any degree justified is appaling."

Besides this robbery of producer and consumer there is the injury to Canada's credit. Canada is dependent on British capital for the development of her resources. It has been estimated that Great Britain sent $200,000,000 in 1910. Several of the mergers have thrown their preferred shares on the British market, baited with bonuses of common stock. Different London journals could be quoted to show how the suspicions of the conservative British investor have been aroused by this giving away of bonus ordinary shares. In the last annual Financial Survey of the Toronto "Globe," Sir Edgar Speyer gave his warning. He strongly emphasised the necessity "to permit nothing which in any way could impare the confidence and readiness of the British investor to send his money to Canada, and Canada should appreciate the paramount necessity of offering only such securities in the home market as are absolutely good, for the margin which separates caution from fear is a very narrow one."

There have been many prophecies that Canada would suffer from this over-development of the merger tendency, but few looked for such a speedy vindication of the prophets. Several of the mergers are in serious trouble, disappointments have been numerous, and the reports of these conditions have become so common that our papers now give them such familiar head lines as "another to default its bond interest," or "another fiasco." Amalgamated Asbestos has to pass its bond interest and reorgaanization of the concern is necessary. The English bondholders have appointed Mr. J. E. Aldred to represent them in the present crisis. Black Lake Asbestos bonds sold down to 31 in Toronto at the time of writing and it is generally expected that Black Lake will also pass its bond interest when it falls due next March. Sir Sandford Fleming has made some very serious charges against the Cement