

# WATCH THIS WILDCAT

By INVESTICUS

It is a mistake to think wild-catting is at an end simply because peace is at an end. The crooked company promoter is as ubiquitous as the poor that are referred to in the Scriptures. War is no obstacle to him. Thrift campaigns leave him unharmed, and he seems able to raise money in considerable quantities where other more legitimate concerns might have no hope whatever.

Various letters have been received by the editor of this column inquiring about a certain American company operating from a Chicago address. Those who have written in are apparently people of means, or who have saved a little cash, which they are tempted to "invest" with this Chicago concern. Although at the time of writing it has not been possible to obtain the information which we require about this Chicago company before dealing with it under its own name, certain features of the letter which it has been sending to our readers ought to be called attention to. In other words, the letter in question is, to our way of thinking, an excellent example of the crook company letter.

One of our correspondents works in Detroit and lives in Windsor. Let us call him John Smith for the time being. He encloses the letter he received from the Chicago company. On the surface it looks like a personal letter. It is addressed to John Smith, Detroit, Michigan, and it starts out "Dear Mr. Smith." As a matter of fact it is only after close scrutiny of the letter that an expert could tell you the letter is merely a circular, probably printed by the tens of thousands. The only "personal" thing about it being the fact that "John Smith, Detroit, Michigan—Dear Mr. Smith" has been specially added on a typewriter whose ribbon matches the ink used by the man who printed the circular.

That, of course, is legitimate enough. It makes John Smith think he is getting something worth reading—whereas if he got a plain circular he would probably throw it in the waste-basket at once. The letterhead, by the way, is very plain and dignified—just such as a big financial house on Broadway or in Montreal might use. It describes the firm as "Underwriters, Brokers and Bankers"—but then, the give-away touch follows: "Experts in inside investments." That is the first place where the wild-catter shows his cloven hoof. A real firm of bankers, underwriters and brokers does not need to hold out such gaudy phrases, nor make such shameless bids for the attention of the poor simpleton whom it hopes to "rope." Mr. John Smith, if he had been a little more experienced in the ways of the world, would never have read three lines further than that "inside investments" line. That is the ear-mark of the crooked promoter.

But now take the proposition made in the letter.

"We are enclosing herewith," says the dignified letter, "a copy of our publication entitled 'Ground Floor Opportunities' (again the crook's phrase). 'Within the next few days we will place on the market treasury shares of Fabulous Motors Inc. (we have varied the name slightly) at \$4.50 per share, par value \$10 per share. The shares will be marketed by extensive advertising, and the market thus created will be nation-wide. We will continue such vigorous advertising over a period of several months, and expect that the shares will be selling at par or more by the

time the financing is, etc."

Do you catch the crookedness of that?

Note, there isn't a word yet about what the Fabulous Motors Company is going to make its profits out of. The one and only appeal of the letter is to get you to buy a worthless stock in the hope that you can unload it at a higher price on somebody else. But wait—

"Prior to selling the shares as above described (says the cheerful little letter) we offer a limited (note the 'limited') allotment of shares at \$3.50 per share. The price will be nearly two hundred per cent. higher when it reaches par—the price that we expect the shares to command by the time we conclude the selling. Application will be made at that time to list the shares on the New York Curb (not the New York Exchange remember), and we are confident that those who are accepting allotments right now at \$3.50 per share will find a broad market for them at prices several times higher than the present price . . ."

The letter now goes on to say that the Fabulous Motors concern is certain to be as successful in the handling of motor trucks as the Ford Motor Company has been in the making of inexpensive pleasure and business cars. Then there is a lot of perfectly true "dope" on the profits

that have been made by Ford and others, and the usefulness of the motor truck, etc. But the thing our readers must bear in mind if this letter reaches them is the fact that none of these statements proves that the Fabulous Trucks Company is going to make money.

At the foot of the letter, after the signature of the "president," comes a return coupon, which the trusting are invited to fill out and mail (with their money) to this cheerful concern in Chicago.

If any other readers of the Courier have received one of these letters and are in doubt what to do about it after reading it with a critical eye—write to the editor of this column and further information about the actual standing of the company will be supplied as soon as the facts can be obtained in Chicago. In the meantime, leave it alone. If your cupidity tempts you to buy at \$3.50 in the hope of selling at \$4.50 or at ten dollars—just ask yourself these questions:

Why, if this is such a wonderful opportunity, do the promoters have to seek money so far away from home? And why must they float the stock at such a low figure?

Then ask yourself this:

What reason have you to suppose that after these "experts on inside investments" have sold you—they need to keep boosting the stock so as to give you your profit. Their one interest in the matter is to sell you and all the other yous that can be flim-flammed into the deal. After that—you may whistle for your profits.

## ROYAL BANK REPORT

WHILE the extent of the marked gains reported by the Royal Bank came as a distinct surprise to the street, it is only when one makes comparisons with a few years back that it becomes possible to gauge the phenomenal strides that the Royal has enjoyed. A glance at some of the earlier statements shows that the increase which the bank made last year in assets of 55 millions was alone more than the total assets reported a decade ago, when the total was \$45,351,498. At that time the deposits stood at 20 millions, while this year they exceed 140 millions, and current loans have grown from around 26 millions to 124 millions.

The upbuilding of the Royal Bank has always been regarded as the life-

work of Mr. Edson L. Pease, as he has guided it from very small beginnings to its present strong position. It is doubtful whether back at the commencement of 1900 Mr. Pease could even have hoped that the business of the bank would have assumed a position of such strength and proportions as it has at the end of 1916.

An analysis of the statement shows that for the first time in the history of the bank reported total assets are in excess of a quarter of a billion, the increase for the past twelve months being \$55,000,000, total assets amounting to \$253,261,427, compared with \$198,299,123 at the end of last year, and \$179,404,054 at the end of 1914.

## WILL N.Y. KEEP GOLD CONTROL

IT has to be admitted that Wall Street is for the time being ahead of Lombard Street in respect to certain things. It is not now so universally true as it used to be before the war that shipments from Brazil to New York, or New York to Australia, or Samoa to Denmark are financed through London. London, which was once the great free gold port of the world, the city where the gold reserves, even of Germany and Turkey, were largely stored, has had for the time being to yield its supremacy in this respect to New York. New York has so much gold that it doesn't know what to do with it. American banks are actually nervous because they fear the over-supply of gold in the United States will cause an over-inflation of credit, and perhaps bring on some sort of a great national crisis. But for the present, at all events, this condition makes New York the centre of international finance. New York cannot be denied the title "The Gold Port of the World."

But will she keep that title when the war is over? The writer of this article, when in England some time ago, had the privilege of a long conversa-

tion with Sir George Paish, the famous economist, and the man who was to have served on our railway investigation board, had not illness prevented. This very question of London's gold supremacy was brought up.

"Will New York become the world's clearing house?" I asked.

"It is already approaching that position," said Sir George.

"But will she keep it?"

"No."

Sir George went on to point out that there are very many reasons besides financial reasons why London should be the gold port of the world after the war again. In the first place the centre of international finance should be in the centre of the world's shipping interests. That is London. Moreover, the centre of international finance must be in the hands of a nation that can do something at least toward guaranteeing the freedom of the seas for the cargoes of all nations. While England is at war she cannot expect to have time or the necessary machinery for playing the role of world banker. But when the war is over the gold supply will commence to return to London.

## FORD OWNERS

\$5.00 a year protects your new Ford Touring Car from loss by fire to the extent of \$500, including loss from explosion and self-ignition.

Covers fire loss while car is in any building—or on the road—lower rates and more liberal terms than any other policy you can procure.

Write for rates on Ford Cars up to three years old.

Similar rates and conditions are granted to owners of Chevrolet cars.



## LONDON MUTUAL FIRE INSURANCE COMPANY

F. D. WILLIAMS. MANAGING DIRECTOR  
HEAD OFFICE - 33 SCOTT ST. TORONTO.

## The New Year

is a time for making resolutions, taking stock of the mistakes and neglected opportunities of the past and turning over a new leaf.

## RESOLVE

That in 1917 you will greatly improve your financial position by spending less than you earn, by saving a fair proportion of your income and depositing it so that it will earn interest for you. If you open a deposit account with us now it will assist you in keeping this resolution. You may begin with a dollar.

## CANADA PERMANENT MORTGAGE CORPORATION

Paid-up Capital ..... \$ 6,000,000.00  
Reserve Fund ..... 4,750,000.00  
Investments ..... 33,546,242.74

TORONTO STREET, TORONTO.  
ESTABLISHED 1855.

We own and offer a wide range of Canadian City Bonds to Yield 5% to 6.30%.

Particulars Upon Request

## DOMINION SECURITIES CORPORATION-LIMITED

ESTABLISHED 1901  
HEAD OFFICE: 26 KING ST. EAST, TORONTO  
MONTREAL LONDON, E.C., ENG

## "Best" Hand Lantern



A powerful portable lamp, giving a 300 candle power pure white light. Just what the farmer, dairyman, stockman, etc. needs. Safe—Reliable—Economical—Absolutely Rain, Storm and Bug proof. Burns either gasoline or kerosene. Light in weight. Agents wanted. Big Profits. Write for Catalog. THE BEST LIGHT CO.  
448 E. 5th St., Canton, O.