

FOR INVESTORS

Who Live Entirely on the Results of Their Present Efforts.

Investors nowadays with the aid of the financial press and the numerous volumes on investment are placed in an excellent position to judge of the merits of various propositions. Mr. Henry Lowenfeld, a well-known author on investment subjects, divides into three groups investors who live entirely on the results of their present efforts: (a) People with surplus earnings, which they apply towards increasing their capital, the income from which is already sufficient to provide for their wants. (b) People with surplus earnings, which they apply towards the building up of a capital, the income from their present capital being still insufficient to keep them. (c) People with a moderate surplus and a very moderate capital, or no capital at all.

The first type he thinks is in the most fortunate position and with a proper investment plan, fairly accurately followed up, is safe from material want. The second type he admonishes to be extremely careful, so that on the day on which his earnings cease, during his lifetime or at his death, he or those dependent on him may find themselves possessed of a capital-sum large enough to support them out of the income which it earns.

To Increase Capital Account.

The question of interest is of no very great importance to investors of this type, because the income earned will naturally be treated, year after year, as an additional sum to invest and increase the Capital Account. All that this class of investor is working for is a gradual but sure capital-increase; and whether this increase results from dividends or from the growth in value of the investments held, is quite immaterial.

Investors of this school can provide for the wants of those who are dependent upon them, by means of a life insurance policy. In the employment of the surplus income, then remaining, they should chiefly confine their attention to sound classes of enterprise which are in the making, such as the ordinary stocks of younger public-utility undertakings in industrially growing countries with increasing population. In the geographical divisions in which commercial developments are more advanced, they should seek to invest in enterprises which are gradually coming to the front, or which, for the time being, have become unpopular. In making such a selection they must learn to distinguish between the dying undertaking which has no chance of recovery, and the live undertaking which is temporarily under a cloud; specially stocks, which have depreciated through causes which are outside of the undertaking itself, offer good chances of this kind.

Should Buy Latent Possibilities.

A strong conviction of future possibilities is always a necessary outfit for an investor of this class, as in most cases his opportunities to buy will occur at times when no one has a good word to say for the depreciated security which he selects. If people did not think badly of an undertaking, its stocks would not be selling at prices which made little or no allowance for future potentialities. An investor belonging to this class should invariably attempt to buy latent possibilities, when others do not even admit their existence. He has an enormous put over all other investors, for the reason that any immediate return on his outlay is immaterial to him. Consequently, he can afford to wait years, if necessary, for his stocks to improve in price.

Gambles of any kind should be avoided. The real difference between this sort of investment and a gamble, is that the investment must display a probability of increase in value on the occurrence of certain clearly defined and strongly probably events based on well-known and ascertainable facts; whilst the gamble has only a chance of increasing in value through the agency of possibilities which cannot be foretold.

Those Who Lose Most.

Experience has shown that, in the aggregate, owners of small sums lose much more in proportion to their individual

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wealth than people with larger means, and a hundredfold more than really rich people. Whenever there is any financial crash, it is always the small man who loses most; all the money swallowed by bogus banks is the property of small investors, who seem to require a financial earthquake to rouse them to exercise even a modicum of caution. Only when they are face to face with absolute loss, do they seem to realize how very important their little nest-egg is to them. The truth is that the smaller the capital-sum, the greater should be the caution in disposing of it.

NEW INCORPORATIONS.

The head office of each company is situate in the town, city, or province mentioned at the beginning of each paragraph. The persons named are provisional directors.

- Ottawa.**—Dairy Lunch, \$20,000; N. S. Leduc, H. Croteau, J. M. Bate.
- Owen Sound, Ont.**—Sydenham Club, \$40,000; D. M. Butchart, J. G. Hay, J. Parker.
- St. Thomas.**—Stacey Cutlery Company, \$10,000; G. Stacey, J. R. Green, W. J. Green.
- Hawkestone, Ont.**—Oro Telephone Company, \$4,000; R. W. Metcalf, R. Robertson, G. Raikes.
- Cobalt, Ont.**—Plymouth Silver Mining Company, \$40,000; J. Anderson, W. Graham, W. Blackie.
- Welland, Ont.**—Factory Lands, \$75,000; D. Ross, G. C. Brown, Welland; F. D. Corey, Buffalo.
- Quebec, Que.**—Quebec Realty Company, \$100,000; J. E. Morency, A. Pouliot, J. N. A. Bechard.
- Easton's Corners, Ont.**—Wolford Rural Telephone Company, \$10,000; W. H. Watts, J. B. Arnold, W. Hughes.
- St. Catharines, Ont.**—Woman's Christian Temperance Union of St. Catharines; Mrs. C. J. Irwin, M. C. Borrowman, V. L. Taylor.
- British Columbia.**—Chilliwack Hospital. Dominion Warehouse & Cartage Company, \$50,000. Forty-Mile Copper Dam Mining Company, \$250,000. Nanaimo Packing Company, \$10,000. N. B. Maysmith & Company, \$50,000. Vancouver Woman's Musical Club, \$1,000.
- Montreal.**—Eadie-Deuglas, \$100,000; H. G. Eadie, S. Ogilvie, J. J. Meagher. Austrian Import Company, \$10,000; F. Franke, F. Levasseur, A. P. Dorais. George A. Fuller Company, \$100,000; A. R. Chipman, W. G. Mitchell, A. Wainwright.