COBALT---There's Never Before Been Such a Mining Centre and May Never Be Again---COBALT

TRETHEWEY'S TROUBLES TWO INJUNCTIONS FILED

Claim is Made That Verbal Options Were Made and Not Carried Out.

The Cobalt area has on more than one occasion within the past year supplied materials for considerable litigation, and an ex parte injunction, obtained yesterday at Osgoode Hall, by Clarence J. McCuaig, broker, of Montreal, gives promise of a legal battle of exceptional points of interest.

It is against W. G. Trethewey, the well-known wealthy mine owner, that the injunction, which was granted by Justice Mabee in single court, was obtained and it restrains him from "dealing in or parting with" 192,000 shares in the Trethewey silver cobalt mine.

The large amount of $600,000 is involved, as set forth in the papers filed in the case. From these documents it appears that about a week ago Mr. McCuaig, representing clients, met Mr. Trethewey in Toronto, and obtained from him an option on 192,000 shares in the mine bearing his name, the agreement, a verbal one, being that Mr. McCuaig should have five days in which to examine the mine thru experts, and, should such inspection prove satisfactory, that $600,000 should be paid for the shares. Mr. McCuaig claims that the examination having been made, he saw Mr. Tretheway again on Monday last and offered to pay the price agreed upon, but was told that the shares had been disposed of elsewhere.

t is now thought to hold Mr. Trethewey to his alleged agreement. While this is admitted to have been only verbal, Mr. McCuaig declares himself prepared to exhibit a telegram from Mr. Trethewey to his superintendent at the mine, asking him to facilitate the work of inspection.

While granting this injunction, Justice Mabee also dissolved the temporary injunction which was on Monday granted W. C. Fox, the Toronto mining broker, restraining Trethewey from disposing of the stock he holds in the Trethewey mine. Fox alleged that in a verbal agreement Trethewey had promised to sell him stock at market prices. Prices rose and Fox did not get the stock. The stock involved amounts to $720,000. Trethewey denies that he gave any option. The judge declined to continue the injunction on the ground that if Fox did not make good his claim the miner would suffer serious loss by reason of having his stock tied up until the trial. If his claim were good he could recover damages.

Pittsburgers After Shares.

That Pittsburg people are acquiring a heavy interest in the silver mining properties in Cobalt and essaying to secure controlling interest in some of the best producing mines there is evident from the negotiations that have been going on ever since the party of Pennsylvania capitalists visited Cobalt in a private car early in the season. Their inspection at that time so well satisfied their minds that fabulous mineral wealth lay hidden in the Huronic formation in the Cobalt region that they at once acquired a 49 per cent. interest in the Eureka and began negotiations to secure control of several other properties. The mines secured by these gentlemen have produced during this short course of development silver ore to a value far surpassing their most sanguine anticipations. News of this nature does not fall on deaf ears in a city like Pittsburg, where capital is going begging for investment, and where so many enterprising men of affluence reside.

Large orders to Toronto for shares in proved Cobalt properties has been pouring in recently, and now comes a man representing financial interests in Pittsburg, who are known to take in nothing less than millions.

F. E. Hewitt, formerly identified with Toronto financial and brokerage interests, is the representative of these American financiers. Mr. Hewitt has power of attorney from R. M. Weaver, the big Diamond-street broker of Pittsburg, to close any bargain in Cobalt properties which satisfy him and in which he can secure controlling interest.

At the King Edward yesterday Mr. Hewitt would not say what properties he was negotiating for, as he considered publicity in the matter before the deals were closed might prejudice negotiations. It was intimated, however, that one or two of the properties whose stock are rapidly advancing in price are in the deal..

The Silver Chords.

Musicians as a rule are not supposed to have any genius for money-making, but this talent has not been overlooked in the make-up of the Fox-La Dell Concert Co. This concert company was in Cobalt the night preceding the flotation of the Foster mine, and having had a successful run, the individual members of the company took a block of Foster at 80 cents. Yesterday George Fox sold out at $3 his 250 shares and the lady members are said to have followed suit.

Trethewey Shares.

The price of Trethewey has been steadily growing, and it is said that Mr. Trethewey's brokers are trying to secure enough stock to fill the orders of the disappointed parties who consider that they had an option on this stock, and on the strength of their option had taken orders, which they have been unable to fill by reason, as they claim, of the owners default in delivery.

At Cobalt many complaints are made over an alleged failure to deliver Buffalo stock and some litigation is threatened.

Silver Leaf has received an impetus by the knowledge in the camp that the Lawson vein had been found by Superintendent Clark.

President Law wires Vice-President Lennox that the Wabi has struck an eight-inch vein in the second shaft and that they are sacking ore.

INSURANCE COMMISSION.

Continued From Page 1.

surprised to learn that the security in the form of stock in the Great West was changed to the form of a mortgage, and the stock surrendered.

When Mr. Shepley read the witness the minutes of three directors' meetings, held in November, 1903, setting forth the discussion and decision to put this transaction thru, Mr. Ross said he had never heard any such discussion. There was a discussion of getting rid of the land holdings, but "bonus" stock was never mentioned. Witness was present at the specified meetings.

Mr. Shepley pursued the subject further, and pointed out that at the meeting on Nov. 28, the agreement and mortgage between the Great West and the Union Trust Company came up, and on motion of George W. Ross and Lieutenant-Colonel Davidson, this form was adopted. Witness said that he had never heard the discussion, nor could he recollect ever moving such a resolution.

Questioned by Wallace Nesbitt, K. C., thru the Dominion counsel, Mr. Ross stated that he had taken no particular interest in the Great West transactions. Sometimes the views of the board would become crystalized in a resolution, at the time by the manager, without mentioning any mover or seconder at all. Often a resolution was prepared and handed to a director to move.

W. R. Frankish, a clerk in the Union Trust, was called, and he told that he had copied the minutes of the meetings on the 7th and 13th of November, 1903. Other minutes were made out by a clerk called McDougal. The usual way was for Mr. Foster to draft the minutes, which were copied, and then the typewritten copy was recorded in the minute book.

At this juncture Mr. Shepley called out, "Is George W. Fowler here?" There was no response.

Foster in the Box Again.

Hon. George E. Foster was then recalled. Witness wanted to make a correction, and Mr. Shepley listened patiently.

Mr. Foster confirmed two statements, which indicated that, as stated by him, the adjustment had been made with the C. P. R. and Pope and Fowler on a basis of the actual acreage received. There was no cutting down of the stock interest, but the adjustments were made in cash payments. The Great West Land Co. made prepayment to both the C. P. R. and Fowler and Pope, the discounts obtained on these payments being $5197.20 and $5475.50, respectively. The Great West Land Co. still had $1193.40 and $1737.87, respectively, pending final adjustments.

The surrender of the bonus stock came up again. When Mr. Stevenson made the proposition to change the form of security, witness wrote to Matthew Wilson to come up the day before the directors' meeting on the 7th of November, and after talking the matter over, it was decided to make the change. The meeting of the 7th was adjourned until the 13th, because, witness said, more time was required to get the proposition in shape.

Counsel pointed out that, since all the directors were at one on the subject, no time was needed, and hence no necessity for adjournment. Mr. Foster could give no other reason.

Dealings With Banks.

Leaving this branch for the present, Mr. Shepley asked Mr. Foster to tell of the borrowings of the Union Trust Co. Witness replied that the company had an agreement with the Standard Bank, by which they were entitled to receive advances up to $200,000. A large portion of this was borrowed for investments in stock. The Standard Bank also made a general advance of $100,000.

A loan of $259,999 was also effected with the Traders' Bank, and the company assumed an obligation in connection with Crow's Nest Pass to the amount of the loan. John Dryden and William Laidlaw were interested in the loan.

Mr. Foster said that, in February, 1904, the Union Trust called up 50 per cent. of the stock subscribed, of which only 50 per cent. had previously been paid. The Foresters subscribed for all this stock, and the Trust Company got hold of $1,000,000.

"You were then engaged in making large advances to the Great Western Land Company, and about to go into the Kamloops contract?" asked Mr. Shepley.

"Yes."

Last December the company increased its capital stock by $500,000, issued at a premium. This, witness said, was necessary to carry on the operations of the company.

"Were you much behind?"

"I can't remember."

The examination of Mr. Foster was continued in the afternoon.

Mr. Shepley went briefly into the annual report of the Union Trust Co. for 1905. The shared capital stock, $2,000,000, after the $500,000 stocks were added, and counsel pointed out that there would have been a liability exposed to the public of half a million dollars if this stock had not been issued, instead of several hundred thousands of assets. There had also been a loan of $200,000 from the bank beside this.

A letter from General Manager Denison of the Standard Bank, in connection with the block of stock floated in New York, was read by Mr. Shepley. The loan bond was also discussed. It was for $150,000, and certain stocks, such as Twin City, Missouri Pacific and Topeka and Atchison were put up by the Union Trust and Mr. Foster as collateral security.

The compilation of securities and stocks held by the Union Trust at the end of the year 1905 was produced by Mr. Shepley. This showed that the company held $400,000 for value of listed securities, with market value of $329,500. The listed securities were 200 shares Baltimore and Ohio, 1100 Missouri Pacific, 200 shares Norfolk and Northwestern, 600 Erie first, 400 Erie second, 200 Chicago, Milwuake and St. Paul, 1200 St. Louis and Frisco, and 100 shares Southern Pacific. The unlisted securities were Cripple Creek 1st, $5000 worth Cripple Creek 2nd, and $6000 and $7000 worth of Steel Foundry.

This showed a total amount of stocks on Dec. 31 of market value held by the company to be $347,500, against a book value of $449,109.68.

Was Refused Commission.

The bylaw calling up 50 cents per share, dated Feb. 23, 1904, was dissected, as was also the bylaw to increase the capital stock $500,000, dated Dec. 26, 1905.

Mr. Shepley took the witness back to the beginning of the land deal with Pope and Fowler, concerning certain limits in Quebec. On being questioned Mr. Foster remembered that the property was reported upon and witness admitted that he had discussed with Mr. Stevenson the propriety of him (Foster) getting a commission, as his salary was not large, on lands and business he could turn into the Union Trust Co. Mr. Stevenson opposed the idea and so did the board.

Mr. Shepley read a letter written by Mr. Stevenson to Chancellor Boyd, "challenging Mr. Foster's attention the impropriety that the manager or any member of the board should have any commission."

Mr. Foster said that he was at one with the board and Mr. Stevenson on this matter, as well as with the board on their decision that no directors should be loaned moneys.

"You recognized the dual position we were talking about the other day?" asked Mr. Shepley.

"No. I wanted to know if a commission would be permissible."

"Did you give the matter attention from an ethical standpoint?"

"I did consider the propriety points."

"You made up your mind that it was wrong that a commission should be allowed to an officer for turning in business, and also that it was improper for directors to borrow money?" asked Mr. Shepley.

"Oh, yes."

"What ethical distinction do you draw between an individual borrowing money and three people, all directors, interested in a company, borrowing money?" asked Mr. Shepley.

Mr. Foster said there was an entirely different principle, because the security was different. But he did not want to pursue the discussion any further. He thought if the discussion kept up for an hour his opinions would not change a bit.

Mr. Shepley kept on, but Mr. Foster refused to answer further. He thought counsel was trying to draw a parallel with the Great West Co. He had given all that his mind had to offer.

The subject was dropped for a few seconds, while Mr. Shepley enquired if the board had raised any discussion when the syndicate came to get an advance for the Great West Co., Mr. Foster could not see any parallel and evaded the question.

A Question of Borrowing.

"You had to pay Pope and Fowler the extra dollar per acre by way of getting an interest in the company if you had financed the game yourself?"

Mr. Foster said "yes."

"Did it occur to you that you were practically borrowing money to pay on the lands you had bought?"

Witness gave a long reply about the deal. The syndicate did not borrow a single dollar from the Trust Co. to get the stock, was an emphatic point of Mr. Foster's, who admitted in the next breath that the syndicate had borrowed from the Union Trust Co. to pay Pope and Fowler for the delivered option.

The Montague deal, as given by Dr. Oronhyatekha, was assented to by the witness as being accurate in every detail. He explained that the controlling idea in getting out of this deal was to get out of a position where the holders of trust money were booming themselves. Mr. Foster was in a different position and could take over the lands without any trouble. He had nothing to do with the body and had every right to go and borrow as he was not an officer, trustee or anything else of the Foresters. The fact that he was the agent of the company which was the creature of the Foresters did not make any difference in this transaction.

At the time of the turning over of the lands of the Montague syndicate to the Union Trust Co. Mr. Foster gave his very unwilling assent to the deal, claiming he had some equity that should have been settled.

The original Montague purchase, amounting to 44,267 acres, made in 1902, was reviewed by Mr. Shepley, as well as other purchases, making a total of 116,160 acres. Mr. Shepley said that the accurate measurements were 111,360 acres, which witness agreed might be the case.

Mr. Shepley then took up the Whitlaw transaction. Witness did not know who the interests behind Whitlaw were. He had bought that land and did not recollect that he knew the ownership of it.

Mr. Shepley pressed the matter and wanted to know who Mr. Foster understood were the holders of the lands.

Matter of Time.

"If you question me for a week you won't get anything further," said Mr. Foster, excitedly.

"We won't waste a week at it just now," said Mr. Shepley.

"It's been long enough already, God knows," said Mr. Foster, with his eyes on the floor.

Mr. Shepley said no more.

A transaction with the Manitoba and Northwestern Land Co. was explained by the witness.

When the syndicate wanted to buy these lands the price was too high and the manager of that company said that as he was getting a commission of 25 per cent. he would halve it with the syndicate. Hence Mr. Foster got $5000 rebate or commission, which he divided up with the other directors, each taking one-quarter. These accounts passed the auditor and there was no trouble whatever about them.

Mining in Rossland.

A Rossland despatch says: "Present activity in Cobalt stocks has not detracted attention from Rossland mining interests, and several of the mines are very busy in development work." "White Bear Mine has increased its staff of workmen, and is developing several new ore shoots, which will occupy a considerable period of time yet. This mine recently shipped nearly four hundred tons of excellent quality ore, taken out in development, which, it is stated on reliable authority, netted its owners ten dollars a ton after paying all charges of smelters and freight."

Charlotte A. E. Topping.

Galt, Oct. 9.—(Special.)—Charlotte A. Holder, relict of the late William M. Topping, died last night of paralysis.

COBALT STOCKS EASIER FROM PROFIT TAKING

Trading is Interfered With by Scrip Transfer Arrangements —Capitalization Small.

The demand for the several mining shares was heavy on Tuesday, but there was an impression abroad that the large holders were anxious to hold prices down, and the bids were not forced. Many brokers had discretionary buying orders, and noting an early weakness to prices awaited the appearance of support before filling them. The market slowed up more late in the day, but offerings were not free and it was reported difficult to buy much stock at reduced quotations. The lull in speculation is absolutely desirable as deliveries of scrip are several days behind owing to the difficulty experienced in making transfers. Foster continues to head the list of transactions, but Silver Queen and University are well up in the demand. McKinley, Darragh and Nipissing are not in strong local enquiry, but at New York both were very active. Trethewey sold at $9.60 but most of the outstanding stock is being held at from $10 to $11. There is considerable discrepancy between the prices of the Toronto Stock Exchange and the Standard Exchange. The latter being usually lower in its quotations. This necessity for a difference in prices is not clear to the outside buyer.

Trading is Hampered.

The unexpected demand for the Cobalt stocks has caused practically a famine in the offerings. None of the companies have yet arranged for a proper transfer office for the scrip. The head offices of the company are being used for this purpose up to the present, but this is utterly inadequate to cope with the demand. Stock is being taken off the market by investors, and this makes the quantity for sale that much smaller. Tuesday's business was clearly hampered by this fact. Holders of shares in several properties considered themselves unable to sell because they could not make delivery, not having been able to get the scrip transferred. This will have an effect on the freedom of transactions in the shares for some little time to come yet, and the better companies could facilitate matters by putting their transfer books in the hands of trust companies competent to handle the business.

Capitalizations Are Small.

"If there is one thing that the owners of the Cobalt properties have been careful of," said a broker yesterday, "it is the small capitalization that has been placed on the several mines. The American system of financing has not been followed or instead of $1,000,000, most of the companies would have been put at $25,000,000. Why the total capitalization of the whole camp is not equal to one American company such as the Anaconda Copper Company, which is capitalized at $30,000,000, and is now selling at a valuation of three times that amount. Of course there are always knockers, and I notice that some of our dealers who would advise the buying of South American stocks, and United States issues, of which they know nothing, are cautioning our people against buying something which they can easily satisfy themselves as to the value. Thank goodness our investors are not taking their advice. Look at the bunch of orders that came in this morning. They are mostly for small lots; but they are from people who are cautious investors, and when they have proved their first venture will add to their holdings."

Silver Queen is Active.

Cobalt Silver Queen, next to Foster, was the most active stock both Monday and Tuesday. The buying is at times urgent, and the rumor on the street is that the insiders are taking all the stock offered without advancing the quotations more than possible. Silver Queen is divided from the McKinley, Darragh-Savage property by the Temiskaming Railroad; is 58 acres in extent, and is only capitalized at $25,800 per acre. The former owners of the mine paid a dividend of 200 per cent. to those who were financially interested, and with the progress of development work return to big dividends is again fully expected. This stock is selling freely around $1.50 a share.

Brokers Have Not Kept Posted.

Speculation in the Cobalt stocks has certainly caught the majority of the Toronto Stock Exchange brokers napping. As a rule they were not posted on what was doing in regard to mining shares, being apparently of the opinion that the big exchange was above dealing in this class of security. Enquiries for stock when made thru members of this exchange had to be replied to after a consultation with the despised curb broker or member of the Standard Exchange, both of whom had kept advised on public sentiment and of what was being done in the Cobalt district. Even at the present time it is doubtful whether many of the Toronto brokers have anything like a broad information of the capitalization or other matters pertinent to the various stocked Cobalt companies.

Fluctuations Are Profitable.

"Don't expect the Cobalt stock to go up out of sight all at once," remarked an old time broker. "This is not the way the insiders work the best and surest kind of securities. There are always those who want to secure profits, and these sales are taken as low as possible, and the same stock sold again to new buyers. The difference of course comes to the inside broker, and the more fluctuations he can effect with legitimate stock the greater are his profits."

Standard Stock and Mining Exchange.

	Asked.	Bid.
Crown Bank	113	...
Standard Loan	90	...
Col. Invest. & L. Co	8.20	8.00
Sun & Hastings Loan	82	77
Dominion Permanent	83	78
Trust & Guarantee	45	...
Rio Janeiro, 5 p.c. bonds	77¼	76¾
do. stock	41¼	40¾
Canadian Oil	99	...
W. A. Rogers pref	...	94
do. common	...	85
City Dairy common	...	36
Carter Crume preferred	...	83
do. common	30	24
National Portland Cement	65	60
Con. Mining & Smelting	148	140
Granby Smelter	14¾	14
C. G. F. S.	9	8
White Bear (non-assessable)	10½	9½
North Star	32	25
Monte Cristo	5	3
Giant	...	2
Novelty	...	1
California	...	4
Sullivan	15	10
Virginia	10	6
Jumbo	...	18
Cariboo McKinney	4½	3½
International Coal & Coke	59	50
Diamond Vale	29	19
Manhattan Nevada	30	...
California Monarch Oil	32	...
Cobalt Stocks—		
Amalgamated	100	80
Buffalo	2.50	2.26
Foster	3.05	2.98
Gordon	...	20
Hudson Bay	...	65
Kerr Lake	100	90
McKinley Dar. Savage	3.60	3.25
Montreal	65	35
Nipissing	23¼	23
Peterson Lake	75	60
Red Rock	65	...
Rothschilds	25	17
Silver Leaf	21	19
Silver Bar	50	30
Silver Queen	1.53	1.50
Trethewey	9.50	8.00
University	14.50	14.25

—Sales—

White Bear—1000 at 9½, 1000 at 9¾.
Amalgamated—500 at 80, 500 at 90.
Silver Queen—100 at 150, 100 at 153.
Trethewey—10 at 950, 100 at 950, 80 at 975.
University—20 at 14.50, 20, 20 at 14, 35 at 15, 100 at 14.25, 20 at 14.25.
McKinley—100 at 352.
Foster—100 at 295.
Silver Leaf—2000 at 20, 2000, 2000 at 21¼.

Cobalt Stocks.

H. C. Barber of 45 Adelaide-street East, Toronto, and Cobalt, furnishes the following quotations of Cobalt stocks:

	Asked.	Bid.
Abitibi and Cobalt	.41	.40
Buffalo	.41	.40
Foster	2.35	2.30
Gilpin	.85	...
Hudson Bay Extended	3.25	2.95
Kerr Lake	100.00	90.00
McKinley Dar. Savage	3.50	3.35
Nipissing	23.25	23.00
Red Rock	.65	...
Rothschild	.25	.20
Silver Bar	.50	.40
Silver Leaf	.21	.19
Silver Queen	1.55	1.50
Tem. & Hudson Bay	75.00	65.00
Temis. Telephone	1.65	...
Trethewey	10.25	9.75
University	14.50	14.25

Unlisted Securities, Limited.

Unlisted Securities, Limited, Confederation Life Building, furnish the following quotations for stocks not listed on Toronto Stock Exchange:

	Asked.	Bid.
Crown Bank	112.50	.....
Union Stock Yards	98.00	.....
Dominion Permanent	82.75	80.00
Carter Crume preferred	87.00	82.00
Carter Crume common	.....	24.00
Colonial Investment	8.20	8.00
Sun & Hastings	81.50	75.00
Canadian Oil	94.00	85.00
Raven Lake Cement	46.50	.....
National Portland Cement	65.00	59.00
Trusts & Guarantee	45.00	.....
Agnew Auto Mailer	22.25	.....
Diamond Vale Coal	.24½	.19
International Coal & Coke	.60	.55
Hudson Bay	.....	.53
W. A. Rogers preferred	97.00	94.25
do. common	.....	80.00
Silver Queen	1.52	1.50
Silver Leaf	.22	.21¼
Rothschild	.35	.....
McKinley Dar. Savage	3.60	3.25
Silver Bar	.50	.....
Buffalo	2.30	2.25
Nipissing	22.50	21.75
Red Rock	.70	.....
Foster	3.15	2.90
Kerr Lake	80.00	75.00
University	15.50	14.50
Trethewey	12.00	9.00