

opinion that is the growth of years really counts for something. The Toronto Street Railway Company has undoubtedly enjoyed a singular unpopularity, not altogether its own fault. Unless there is a revolution such as no man pretends to foresee, it will obtain no renewal of its franchise. It will be a victim of its own success; for the conditions of its inception will militate against its re-incarnation. When it came into being electric traction was in its infancy, and it was advisable to issue common stock to make the bonds attractive. Dividends have now to be paid on the bonds which represent the cost of equipment, and on the stock which represents the courage and foresight of the promoters. When the franchise expires, the elements of courage and foresight will not be translatable into bonus stock. The investment will be as sure of return as the investment in a sewer, guaranteed by the revenues of the city. So, by the immutable logic of events, the attractiveness of the Street Railway to the financier looking for promotion profits will be gone. The owners of the franchise will insist on keeping the common stock for themselves, because their credit will be good, and the worth of the franchise will have been proved by thirty years of corporation management and steady augmentation of receipts. We would heartily adopt some other view of the situation, if it could be made to square with Facts As They Are.

COBALT AND FAKEMENT.

A sort of moral halo has surrounded Cobalt. There the financial lion lies with the investing lamb. This may be read as a double entendre. It is, perhaps, the most law-abiding mining camp that yet existed. War has been waged against the "blind pig," a zoological name for the chameleon-like drinking saloon. Everyone who goes to Cobalt apparently knows that the law, to the last letter, is enforced. The chief of police was presented not long ago with a testimonial and a fat, filled purse. This was in recognition of his good services. There is a charm about law-loving camp. In other countries, the law, as a reward for its conscientiousness, more than once has looked down the muzzle of a revolver.

The Ontario Government has been active in the district. It has sent its geologists to investigate; it has reserved claims for the benefit of the coffers of the Province; it owns a railroad running through the heart of Cobalt; it keeps a record of the ore shipments. In many other ways the Ontario Government and Cobalt have mutual interests. And a moral halo has surrounded it. The man who never before toyed with the mysteries of the markets has withdrawn his hard-earned savings and invested them in Cobalt stocks. When anything lives in a sanctimonious atmosphere, there are always those who, usually cautious, throw suspicion to the four winds, and rush forward blindly. Many of the world's biggest scoundrels have perpetrated their iniquities under the robe of the clergy. Some of the biggest swindles are worked under the deep disguise of religion.

Cobalt, to some, bears quite a heavenly aspect. The day of miracles and fairies being passed, there is no doubt that the ore is real ore. Streaks of silver have not been painted in the night. Cobalt as an investing field is one thing; Cobalt as a silver mining district is another. Although it is indisputably rich in mineral wealth, it will be the stage for the performance of many little investing comedies and tragedies.

Several hundred companies for the exploitation of mineral lands in Northern Ontario have been incorporated. Roughly, the capitalization of Cobalt is \$400,000,000. A Montreal paper last week contained a letter from a gentleman who avows that the mines are not over-capitalized. This is open to question. First of all, the sum of \$400,000,000 represents the stocks at par

value, and makes no allowance for certain inflated prices. "Now," says the writer, "against that figure, let us place the La Rose, only in the small area that has been worked, and we find \$10,000,000 for every hundred feet. If the values continue 4,000 feet, it will yield \$400,000,000."

But the whole of that argument depends upon the word "if." "If" is more dangerous than useful. "The frail hair-breadth of an if is all that sunders life and death." One might argue that the mines are not over-capitalized at four billions of dollars, if— "How- ever," continues the writer, "of one thing there has been no lack, viz., the critic and knocker." In the case of Cobalt, we may say, heaven be praised for the critic and the knocker. If it had not been for a little sane criticism of the Canadian silver camp, it might have gone down in history with the names of scores of fortuneless, but once rich, investors. But there is hope yet.

It is justifiable criticism that will assure Cobalt's clean future. In Northern Ontario, the Dominion possesses valuable silver deposits. The absurd exaggeration of its potentialities can benefit no one—except it be the man with pen and ink, a versatile vocabulary, keen wits, and a guileless public. It is difficult to discover what point the Montreal writer desires to enforce. "A word regarding the promoter," he continues. "He takes over the prospector's discovery and presents it to the capitalist, who, if he is a Canadian, is pretty sure to turn it down and say he never heard of minerals being found up there; and his money is all invested in the earthquake belt, where it is liable to remain, which serves him right for sending good Canadian money out of the country when it is needed at home. The promoter often has a very hard task. Instances innumerable can be given where what are now bonanzas have gone begging in this city, and you do not have to go outside Cobalt to find them." The fact that the Canadian is pretty sure to "turn it down" may be considered from two view points. Considering that only twenty-two Cobalt mines are shipping ore out of some hundreds of companies incorporated, the Canadian, perhaps, has been wise in proceeding with some caution.

The picture of bonanzas going begging is rather instructive. There are always men who know a good investment when they see it. If you sell reputable wares there is no necessity to hire a brass band to advertise them. "In the wake of the promoter," the writer adds, "comes the wild-catter, who takes some worthless property and floats it on the reputation of its neighbors. The thoroughbred wildcat is easily recognized, but what is harder to detect is the half-breed, whose board is garnished with names that invite confidence, but who do not deliver the goods. To give the devil his due, it must be said that the wild-catter is satisfied with what would only be an hour's clean-up for some of the Wall Street magnates who juggle the industrial trials in these days of frenzied finance. The moral is, investigate first, and invest after you are satisfied that the mine and management are right."

This moral is all that could be desired. In many cases, probably, it is because the Canadian has investigated first that he has not invested after. The mining directorate which includes the names that invite confidence, but does not continue to hold that confidence, is a serious factor in the Cobalt investment field. How men, with an otherwise honorable standing in financial circles, can allow their names to be included in the directorate of irresponsible concerns is beyond comprehension. When sundry highly respectable gentlemen taking part in the flotation of an almost palpable fraud, and lending their names to a campaign of advertising piffle, it makes one cautious.

Another Eastern gentleman says that the Cobalt country is being flooded with hundreds of the most absurd and impossible propositions. Which to those with eyes is tantamount to saying snow is white. If in-

vestors would exercise a little discretion, they would die a natural death to do any such thing.

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