

THE EXCHANGE NEWS.

ISSUED DAILY AT FOUR-THIRTY O'CLOCK P. M.

A Financial Newspaper for Investors, Operators, Business Men and Corporations.

457 St. Paul Street, - Montreal,

SUBSCRIPTION PRICE:

One Year, \$6.00. Six Months, \$3.00. Three Months, \$2.00

Weekly Review Issue, issued every Friday,

Subscription \$2.00 per year

PAYABLE IN ADVANCE.

Advertising Rates on application.

Editorial communications to be addressed to the Editor, Exchange News Publishing Co., 457 St. Paul Street, Montreal. Telephone Main 2937.

If irregularities in the delivery of the paper are reported immediately by subscribers, the publishers will be better enabled to locate the trouble. Telephone Main 2937.

COPPER STOCKS.

The wind seems to have been let out of a great many of the inflated copper stocks on the Boston market during the past few weeks, and while for the present a slump such as the market has gone through has a very demoralizing effect on investors and frightens them away from all investments, no matter whether they are good or bad, such slumps are necessary for a healthy condition of the business. Time and again we have warned our readers about the monstrous promotion charges made by eastern promoters on mining enterprises during the past year. There seems to have been no limit to the avarice of the promoters or to the cupidity of the investors. Properties that have gone begging amongst mining men for years and considered of little or no value have been seized hold of by eastern promoters and put on the market away up in the millions not in one or two instances, but in dozens of them, and these enterprises have been promoted by bankers and by financial concerns of influential standing.

The United States, one of the collapsed securities and one that has brought troubles thick and fast about the heads of the promoters of the enterprise, is a case in point. The properties secured by that company were practically worked out and semi-abandoned mines. By that we mean that they were worked in only a desultory fashion for some years past, and had barely paid working expenses. It is safe to say that for the past ten years the entire aggregation owned by that company has not paid a decent mining rate of interest on a capitalization of a million dollars, and for years the properties had gone begging amongst mining men, who did not consider them a desirable investment. And yet the Boston promoters capitalized that company at six and a quarter millions and then put the stock on the market on a basis of double par, and seem to expect that because of their connection with the enterprise it would pay large dividends on twelve millions, when in the hands of practical mining men, amongst whom were some of the shrewdest mining men of the West, the property was unable to pay a reasonable dividend on one million.

This is only one instance. There are others of still more flagrant nature. In one instance with which we were personally familiar, the properties bought by the eastern promoters had been offered at \$20,000 to western mining men and turned down by every westerner who had examined them at even a nominal sum, and yet when these eastern men took hold of the enterprise they considered it a desirable investment for their friends and depositors at from twelve and a half to fifteen millions. The property had never paid a dollar in dividends; had never paid

10 cents on the dollar for the money expended on development and gave no indications that it ever would. The best ever said of it by western mining men was that one of the claims was a good prospect; and yet these eastern bankers and managers of financial concerns wrote personal letters endorsing the enterprise, saying that they had made a personal examination of the properties and knew the enterprise was all right.

Mining is in no way responsible for the collapse in the Boston market. There has been no failure on the part of any of the leading mines of the country. So far as we know, they are in a more prosperous condition to-day than they were a year ago, but no mine, no matter how good it may be, will stand an inflation of ten times its value. A property may be good for a million dollars and may be able to pay dividends on that price at the rate of twenty per cent. per annum, but it will not stand an eastern promoter's ideas of inflation and on a basis of ten or twenty millions, it is bound to end in failure. The fact that it is listed on the Boston Exchange will not make any mine produce a dollar more than it would before it was listed, but it will in many cases cause them to pay a much less amount of dividends because of the reckless management entailed through the mine's connection with that class of promoters. We find that many eastern people are inclined to lay the blame of the collapse on mining, but we desire to say that the mining industry is in no way responsible for it. The blame should be laid at the doors of the eastern promoters and their associates, where it properly belongs.

We hope that the costly lesson may prove of lasting benefit and that people who desire to invest in mining will adopt a different policy in future, and invest through promoters who are steadily engaged in the mining business, who understand mining conditions and who have a business record at stake, instead of taking up with every new scheme that may be promoted by men who have no knowledge of the business, no intention of following the business, but who simply want to take advantage of a boom market and fleece the people. We can say to our readers that mining conditions have never been better than they are to-day, and at no time in history of the state have the profits of the dividends been so large as they are at the present time. There has not been a single failure in any of our mining enterprises.

Notwithstanding the collapse in the Boston market and the fact that eastern investments in mining stocks for the time being on account of that collapse, the decline in the Colorado market is very slight indeed, not heavy enough but that the average gain of the stocks for the year will prove to be more than 150 per cent. for the entire list, and only in three or four instances has there been a decline at all, and those were brought about by local causes in great measure, irrespective of the intrinsic value of the properties. In one or two cases the decline has been brought about by litigation, the investing public simply awaiting the result of litigation before investing further in the stocks. So that the decline is not because of the intrinsic value of the properties, the stocks represent.

We do not mean to say that eastern promoters have wilfully robbed the public in every instance. We believe some of them have simply fooled themselves and fooled their friends at the same time; that they, themselves, are the dupes. We are led to believe this from the fact that we had occasion a few months ago to severely criticize one inflated concern through the columns of our paper, when we received letters from three different prominent men in

the east, saying that their attention had been called to our article on an enterprise which they had endorsed after making a personal examination of the property, and that they had believed their representations true. As we had had occasion to examine the properties ourselves personally before these gentlemen visited them, and knew from practical experience that their statements were far from the truth, we could only deduct the conclusion that they had been duped themselves and had written their endorsements in perfect good faith.

Since our criticism of that company, other papers have taken occasion to criticize it even more severely than we had done, and notwithstanding the fact that forty-seven prominent eastern men made a joint examination of the property and agreed as to its value, the results of exploitation of the property have proven that that they are widely at fault and that their opinion was absolutely valueless.

We give this simply as an illustration of the fact that the opinion of a practical mining man of integrity is of far more value to the investor than would be the endorsements of a thousand prominent bankers and business men of the East, who are unfamiliar with the mining business and who might be greatly prejudiced in favor of the property because of the possibility of their making money out of the matter should the enterprise prove to be as their sanguine hopes led them to believe it was.—Western Miner and Financier.

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The Exchange News is printed and published for the Exchange News Co. by M. M. Sabiston, 457 St. Paul Street, Montreal.