



The Square—Opera House in distance.



A Picturesque Street Scene.

## VIEWS IN THE NEW TOWN OF COBALT.

# The Cobalt Boom

By JOHN R. BONE

**T**HE Comstock lode was probably the greatest silver discovery, and for many reasons Comstock is the mine most frequently suggested by Cobalt. Virginia City was the central mining camp. Within a radius of 30 miles of Virginia City no less than 5,000 claims were located during the boom period. Of these only 300 were ever opened at all. Of the 300 only 20 became well established mines, and of the 20 only 8 or 9 ever paid dividends. Yet the Comstock lode was a discovery that yielded in actual bullion during its active period of about twenty-one years, something like \$306,000,000, a figure which Cobalt must still look up to very respectfully.

These statistics will bear serious reflection. There is every indication that they will be repeated in kind in Cobalt. The number of claims already located run up to over 2,000. If even 300 of them are opened it will be surprising and if a dozen settle down into established dividend payers the limit will probably be about reached. According to the Comstock experience the purchaser of a share in a mining claim, even in the best mining districts or the world has seen, runs about 9 chances out of 5,000, or 1 in 500 that he will ever get any dividends on his investment.

But the mining stock gambler never thinks of dividends. He buys the stock because he hopes to sell it to somebody else at a big advance. He may realize that he is a fool himself, but he always thinks he can catch some bigger fool. Very likely he knows absolutely nothing about the property he is buying shares in, though in his regular business he would not think of buying 25 feet of "goose pasture" or of making a loan on a house unless he had the title searched to pre-empt historic times by cautious lawyers and had all available information. It may be that he is willing to go into this kind of a venture with his eyes wide open. He believes in his heart that the claim is a fake. No matter. The stocks are all going up and he has the tip that this is the next one to move, so here goes. This is what the typical attitude of thousands of gamblers in the last mining boom, and is also the attitude of thousands of persons to-day. It is precisely the same attitude as that of the English people 150 years ago during the South Sea Bubble delirium. The people who bought shares in the company for "carrying on an undertaking of great advantage but nobody to know what it is" and paid £2 a share deposit knew it was a fake but they hoped to sell their rights to some one else next day for £3 a share. It is some tribute to the intelligence of the people of these days that the swindler did business for one day only and then disappeared. Had he lived 150 years later he might have kept going for a year or two. Thus we have one company to-day advertising that any man who buys a building lot in a certain locality "stands a chance of finding a mine in his cellar," and that "a woman cultivating a potato patch may find nuggets of pure silver clinging to the roots of the edible." And the other day the following significant despatch came from Boston: "Subscriptions to 5,000,000 shares of—Exploration Co. in New York offered to the public last week at \$1 a share amounted to \$25,000,000, and the stock immediately sold on the curb at \$3 a share. All information is refused the public as to the location of the property or the people back of it."

The devices for floating mining shares are probably

the crudest known to high finance. They are crude because they do not need to be anything more. The clumsy "salting" of a claim by a dishonest prospector is typical of the methods that are sufficient to conduct a mining stock boom on. Often newspaper advertising of the most specious variety is sufficient, when once the public mind is "properly seized with the possibilities of the camp." One concern in the last mining boom began operations by taking half page space in each of the three Toronto morning papers. On the third day, the first on which they could reasonably expect returns, they took in \$15,000 for shares, selling at the rate of a few cents per share. As a matter of fact this company, like many others, was capitalised at \$1,000,000 and had no assets but a few valueless prospects in Northern Ontario, but it is unlikely that their advertisements contained statements that were directly untrue. Yet they were able to make such an appeal as to bring in \$15,000 in one day. It is too early yet for confessions from promoters in the present boom, but there is every reason to believe that this performance is being paralleled by many companies every day. This company's career was typical in another respect. When business got dull here it was taken over to England and a controlling interest sold to English capitalists. These latter sent out an engineer who made a report and that was the end of the company's activity. This method of getting out of a company is the approved scientific one. By it the vexation of the shareholders is directed not against the original promoters but against the "unenterprising" Englishmen or Americans.

The publicity men of mining companies are careful to feed the prevailing fever. To-day most firms find the one word "Cobalt" sufficient for people's imagination. The other day a leading Toronto firm used a big advertisement headed "Cobalt! Now is the time to buy! Don't lose a minute!" Underneath was a list of names of stocks they had for sale. A few were Cobalt properties but the majority were obscure stocks from all over the continent. A few years ago it was the copper romance of Calumet and Hecla and the gold



Cobalt—Visiting Day in a Mine.