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MINING INVESTMENTS.

(From the Western Miner and Financier.)

A cautious investor says: Mining is a gamble. It must be admitted that this is true in a measure; what business is not? Mining, however, may be conducted in such a manner as to largely remove the speculative element, and investors with some little caution may so invest as to be comparatively safe on their investment. If mining is followed on anything like business lines, it is a much safer field for investment than almost any known and much more profitable than any of equal risks. Time and again our readers have written to us and tell us that they may have made investments in this or that stock and lost money. It is safe to say that nine times out of ten the stocks they bought were not investment stocks; they were purely speculative, and controlled by men of little or no mining ability or experience, and little business integrity. It has been a pleasure to us at times to receive a communication from our readers giving in comparison their investments in mining compared to what they call the safe investments which they made in the E. I. Recently we had a communication from one of our subscribers to the effect that in future he should put more money in mining stocks and less in industrials and bank stocks. He states that about four years ago he invested about \$300,000 in bank stocks in the East as a safeguard, and then put \$50,000 in the Colorado stocks, as he terms it, "as a flyer." In his eastern stocks he bought a large block of the stock in the Traders' Bank of New York. The bank subsided, and he lost not only his investment, but has been held for twice as much by the depositors.

As also invested a large sum in the Mechanics' and Traders', paying \$310,000.

This investment suffered a decline of over 60 per cent., while on his Colorado investment of \$80,000 he made a clear profit of \$420,000. Time and again our attention has been called to similar results, so that we admit that while mining is somewhat of a gamble, we must claim that some of the industrials and bank stocks of the East are also somewhat of a gamble, and because of their reputation as safe investments are much more dangerous gambles than mining stocks, if the investor will use one-half the caution in making his investments that he does when making an eastern investment.

STOCK COMPANIES AND METHODS OF OPERATING THEM.

(From the Mining Record for May.)

There is no valid reason why stock companies, properly conducted, should not be as successful in their mining operations as either close corporations or individuals, but we know that they are not so, generally speaking. Why is this? The answer is somewhat complicated, but is mainly included in the statement that frequently stock companies do not pursue mining for its own sake, but look upon it merely as a peg on which to hang their crooked stock operations. The evil flowing from the pernicious proceedings of such companies is often enormous. In the first place, honest mining is greatly retarded and interfered with both directly and indirectly, but what is vastly more important and serious in its direct consequences is that ample scope is afforded for the employment of all those "smart" practices that, by a perversion of ideas, are sometimes looked upon as evidences of ability. This, too, notwithstanding the fact that such practices very frequently involve in very serious financial difficulties—perhaps in temporary ruin—their innocent and confiding victims. Money that is won from the earth by the miner—like that produced by the agriculturist—is a distinct addition

to the sum total of available wealth. That which is taken from other men's pockets by the dishonest promoter or company operator is also a gain of a kind, but only to a few heartless schemers, whilst it is a loss—often very serious—to the deluded many. The evil and misery that result to the losers is, as a rule, infinitely greater than any good that accrues to the gainers, so that the effect of the practices alluded to is a serious net loss to the welfare and happiness of the human race. Such practices ought, therefore, to be prohibited, condemned and exposed by everyone who knows them, and who "above himself can uplift himself."

It is sometimes said that mining is all a gamble. When the management of it is in the hands of unprincipled men, such as are above indicated, there is no doubt that mining—so called—is very much of a gamble, the chances of winning, by those on the outside, being much more remote than at either faro or roulette. But honest mining, capably conducted, is no more a gamble than carrying on a grocery store. The sums of money involved are greater in the former than in the latter, but then the possible returns are much greater also.

Let us now glance at a few of the methods of unprincipled promoters and trustees or directors, of what may properly be called the "fake" stock companies. The first object of this dishonest promoter is to procure an invertebrate expert, or one who has an elastic conscience and a profound disregard for fact. It is important, therefore, that the public should see that the properties in which they are asked to invest are vouched for by men of good repute, morally as well as technically. How important the expert's report is to the promoter is partly indicated by the remarks of a London stockbroker to a B. C. option holder. "Have you any favorable expert reports?" asked the broker. "No," replied the man from B. C. "Then," said the broker, "I cannot do anything with your properties. We never buy mines, we only buy reports—the mines are thrown in."

Having launched their company, the promoters perhaps retire. In their places

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