

few years sees another generation succeeding its predecessor, quite as anxious to acquire wealth without working for it, and, therefore, quite as ready to fall into the snares spread by the unscrupulous promoters of bogus mining companies.

"The effect on the mining industry, however, is bad. Nothing so hampers or prejudices real mining as a period of inflation in which worthless stocks are palmed off in quantities on a too-credulous public. The inevitable reaction sets in, and capital, fearful of further losses, cannot be coaxed into mining enterprises, no matter how promising or attractive. Mining is regarded as little short of gambling, and the industry languishes until events restore a degree of confidence, and ocular demonstration is afforded that mining in many cases is a highly remunerative business."

The exploded booms of the past, to which Mr. Gibson refers, are well remembered by United States and Canadian investors. The British Columbia boom and the Nova Scotia gold fever are two which are responsible for sore memories to this day. The victims of every mining boom have been counted in all States of the Union and all Provinces of the Dominion.

The second warning is printed in the Ontario Bureau of Mines Report (1907), and comes from the pen of Mr. Gibson: "A word or two was said in last year's report as to the then impending 'boom' in the stocks of Cobalt mining companies. The prediction was amply verified, but no warning would have sufficed to stem the tide of speculation which was then steadily rising. To follow the progress of a mining 'boom' is to take a course in the study of psychology. News comes of a rich discovery; almost immediately the ground, good, bad or indifferent, surrounding the find is staked out as mining claims; a languid public is roused to interest by tales of sudden wealth; exaggerated reports of the richness of the district appear in the press; a host of joint stock companies is formed on lands of very doubtful value, but as near as possible to a known mine; shares in these companies are loudly advertised, and the public, whose appetite has by this time become whetted, buys readily. The supply of such stocks being inexhaustible, there is little or no chance for prices to go up, and when the disappointed purchasers come to look for profits or returns, they find, in some cases, a variety of excuses, in many nothing whatever. The really valuable properties are either not offered to the public at all, or if offered are for the most part capitalized too highly. In these, for a time the speculative fever may send up the prices of shares, but the height is quickly reached and a reaction sets in during which everybody wants to sell and none to buy. The stocks of non-operating companies become unsaleable, and those of legitimate concerns drop to something like their real value. The public is 'shaken out,' and loads with objugations the mining industry, losing sight of the fact that the real causes of the loss were its own cupidity and the unscrupulousness of promoters."

"This is the story of many mining camps in America, and this is what happened at Cobalt in 1906. In the fall of that year, when speculation was at its height, the withdrawal of the Guggenheims, of New York, from an option to purchase a heavy interest in the Nipissing mine precipitated a break in the stock market, from which it has not yet recovered. Though the losses were heavy, it is probable that the 'slump' was a blessing in disguise, for had the excitement continued it would have become more general, and the loss when it came, with the consequent demoralization, would have been even more widespread. These recurring periods of excitement do much to hinder the development of mining as a business, and to discredit it in the eyes of people with money looking for safe and remunerative investments."

The third warning is that of Professor Miller, contained in the 1907 Bureau of Mines Report (Part II.):

"Although the Province of Ontario has thus far benefited greatly by the discovery of Cobalt, both as regards the attention which it has directed to our minerals and the advertisement which it has been for the undeveloped resources in general of our north country, it is to be feared that another period of stock-jobbing may be ushered in. The ignorance, credulity and superstition of many people is vast concerning mining enterprises. A few rich ore bodies are discovered in a district, hundreds of worthless claims are represented as being promising, and a 'boom' is launched. People buy so-called mining stocks, and forever after are cynical concerning the mineral industry. That a boom has baneful effects on the mineral industry is patent to all mining men in this country. Since the collapse of the boom which began in the nineties it has been almost impossible to raise capital on mining enterprises, no matter how promising they can be proved to be. It is to be feared that a similar state of affairs will exist in two or three years if a boom is now started in connection with the Cobalt area. As regards this field, one thing should be remembered. It is this—that while certain claims have been passed by the inspectors, there is no evidence, in many cases, that these properties will ever become dividend payers. It should also be remembered that it takes little capital at Cobalt to prove the quality of most claims, and that a majority of those staked will prove barren. Companies do not need to be capitalized at high figures. No part of the world to-day offers better opportunities for legitimate mining enterprises than does Ontario and Canada in general. It is to be hoped that the industry will not receive another setback through mining on paper."

These are words worthy of heed. Money there is to be made by the Cobalt investor. Many mines there are being scientifically developed. An investment in their stocks will as likely be rewarded as an investment in any other industrials. But knowledge and commonsense are imperative possessions.

MONTREAL'S GOVERNMENT AND CREDIT.

Unfortunately it is not easy to forget bad things. A Royal Commission's investigation into Montreal's civic conduct will rankle in the minds of onlookers for some time. It serves no useful purpose to analyze the ethics of dummy tenders, high financing, manipulation and artistic municipal work generally. No one need care much as to who got forbidden financial fruit, for, in a broad sense, mere personnel counts little. The principle is the serious consideration. Newspapers, other than those in Montreal, were pleased to record that the enterprising port city was the worst governed on the continent of America. Montreal journals themselves went further than that. They had an intimate view of the mud. Indeed, it would seem that the Press was the power for good; it forced exposure.

The apparent apathy of the citizens is perhaps the worst feature. It seems to have been a common thing for men, or their agents, in high civic positions to pull strings with the rapidity and versatility of the harpist. The music was good sound for the musician. But the notes read by others did not impress as clean work. Everybody it seems knew that jig-jag steps were being taken along the municipal highway. No one likely feared to make vague accusations. Contrariwise, specific allegations were made, but by the Press. Indignant libel writs not having been the result, conclusions are fairly easy. If fear did not prevent outspokenness on the part of citizens, it must have been apathy.

Montreal could not have been too busy making money to forget that its housekeepers have important duties to perform. Every village, town and city in Canada almost, has borrowed, is borrowing, or intends to borrow money for development and improvement. The first question asked by the investor in municipal