

by means of it may shelter themselves behind the report "of any mining fakir whomsoever so long as they avow their belief in him." It is a copy of an English Act which would have afforded the genius of Dickens an illustration of "How not to do it." It is to be hoped that the ineptitude, ineptitude and inefficacy of the law for the protection of the public who seek safe investments in legitimate mining enterprises, will prevail no longer than until next session, and that meanwhile the Provincial Departments will exercise the powers they are clothed with to examine the schemes submitted for incorporation and to require that share certificates shall announce on their face the facts they do not certify:—As that the stock is subject to the issue of such mortgage bonds as the directors may see fit to make, is also subject to be rited with further increase of capital stock, and to be postponed to the issue of preferred stock if such is the case; also that the title to the property of the company has or has not been proved to the department, as the case may be. Let it be kept steadily in view that the better the character of Canadian mining share certificates shall be made, the more readily will capital seek investment in Canadian mines.

### A Pretty Kettle of Fish.

Much interest is being taken in the outcome of an action for criminal libel now before the Montreal courts preferred by Mr. W. L. Hogg, secretary-treasurer of the Granite Creek Mining Co. against Dr. H. B. Cameron, a resident of Granite Creek, Yale District, B. C., a shareholder and one of the original founders of the Company.

The enterprise was originally incorporated in 1894 under the name of the Stevenson Gold & Platinum Hydraulic Mining Co. with an authorized capital of \$1,000,000 in \$100 shares to acquire and work a placer mining claim on Granite Creek, Yale District, B. C., containing 640 acres. A year later a re-organization took place under Dominion Charter, the authorized capital being reduced to \$150,000 in shares of \$10.00. The present directors comprise: W. Barclay Stephens, J. N. Greenshields, and Dr. C. R. Gillard of Montreal. A. W. Fleck and W. Dale Harris of Ottawa, Robert Stevenson, Granite Creek and W. L. Hogg, Vancouver.

The alleged libel is contained in a circular letter addressed by Dr. Cameron to his fellow shareholders in which he charges the secretary-treasurer, Mr. W. L. Hogg, with disposing of certain additional areas adjacent to the company's property, at a figure considerably in excess of that which, it is said, he actually paid for them.

Dr. Cameron was arrested at his house in the far distant Yale District and taken east to Montreal, some three thousand miles, without an hour's notice, without opportunity to consult a lawyer or make arrangements to defend himself or put his affairs in order.

Without in any way commenting upon the merits of the case, we cannot refrain in passing from expressing our opinion of a criminal code which permits such an iniquitous procedure. Any one of us who may have sounded a note of warning with respect to British Columbia "wild-cats"—and goodness knows the crop is exceedingly plentiful—may according to this remarkable law be hauled off to Red Mountain or the Slocan and be detained there for several months at great personal loss and inconvenience and without any hope of redress simply on the strength of the cooked up statement of some unscrupulous scalliwag.

However, the case of Dr. Cameron has been the means of disclosing some particulars of the peculiar methods of this Company's management which deserve mention, and to which we will briefly refer.

Dr. Cameron's circular having aroused the suspicions of some of the Ottawa shareholders, that matters were perhaps not altogether right, a meeting was held and a resolution passed authorizing the doctor and Mr. J. H. Lyster to proceed to Montreal and examine the books at the registered office of the company in St. Francois Xavier street. This they did but Mr. Barclay Stephens, who was in charge of the office, informed them, so it is stated, that the books had been taken temporarily

to British Columbia by the secretary-treasurer. They then asked to see the Stock Transfer book, but this, they were informed, was in the safe, and Mr. Barclay Stephens, vice-president of the company by the way, had not the combination or had forgotten it.

Granting that the statements of Dr. Cameron and Mr. Lyster are correct, either the vice-president made a false statement, in which case he is not competent to be entrusted with any responsibility in the management of a joint stock enterprise, or if the truth was told, he was guilty of a serious contravention of the Companies' Act and liable to a fine or imprisonment or both. It may be well to refer in this connection to the statute which provides (Sec 44, 45 & 46):

"Such books (*i. e.*, the books of account of the company) shall during reasonable business hours of every day, except Sundays and holidays, be kept open for the inspection of shareholders and creditors of the company, and their personal representatives, at the head office or chief place of business of the company and every such shareholder, creditor or personal representative may make extracts therefrom. 40 Vic. Cap. 43, Sec. 37.

"Every director, officer or servant of the company, who knowingly makes or assists in making any untrue entry in any such book, or who refuses or wilfully neglects to make any proper entry therein, or to exhibit the same, or to allow the same to be inspected and extracts to be taken therefrom, is guilty of a misdemeanor. 40 Vic. Cap. 43, Sec. 49.

"Every company which neglects to keep such book or books as aforesaid, shall forfeit its corporate rights. 40 Vic. Cap. 43, Sec. 38."

As we pointed out in our last issue the greatest security must be given to shareholders in the proper supervision of company accounts and in Canada, as in the Mother Country, carrion crows of finance must be promptly punished for infringement of this very necessary provision of the Companies' Act.

Another very suspicious circumstance of the management of this Company's affairs is the remarkable statement circulated by Mr. W. L. Hogg, the secretary-treasurer, to the effect that there had been a clean up at the mine from one day's washing this summer which realized something like nine hundred dollars. On investigation this proved to be wholly untrue, and on being questioned, Mr. Hogg coolly admitted at a meeting of the shareholders its falsity adding the audacious explanation that it was a "joke." If, as is generally supposed, this fiction was circulated to facilitate the more speedy disposal of the Company's stock on the Eastern Market, the character of Mr. Hogg's humor will be more readily apparent.

Further, if we may believe the testimony of Mr. Brunel, a civil engineer, employed for several months in construction work at the mine, the operations there under Mr. Stevenson are very far from being conducted in a businesslike or workmanlike manner; there are he says, "no specifications, no books, no pay-sheets or inspector to protect the shareholders' interests."

"As any one could predict the result of drawing heavy loads of lumber with horses up a flume, the bottom of which was only  $1\frac{1}{4}$  (one and a quarter) inches, had so badly strained the joints and damaged the bottom to such an extent that the horses' feet had gone through in several places; the effect of all this caused the flume to leak like a sieve when the water was turned on, thus causing a tremendous land slide, which buried another miner's claim below so utterly that the man could not find his tunnel next morning. This led to a law suit. The flume was patched up and another attempt made, and again was a land slide narrowly averted by a miner living below, who in order to save his house and property shut the water off at the dam. Later on another attempt was made, which resulted in a failure."

"Now, about this time, the 30th of June, the limit for completion of Mr. Stevenson's contract expired, and yet fully  $\frac{1}{3}$  of the construction work remained unfinished. Things commenced to look blue for a wash up in the face of the promises Mr. Stevenson had made the Ottawa