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The Lillooet, Fraser River and Cariboo Gold Fields, Ltd. —The Directors Feather Their Nests.

During the early part of the year a company promoted by Mr. F. S. Barnard, M.P., and other British Columbia people, was submitted to the public in a somewhat meagre and crudely drawn up prospectus. This company was styled "The Lillooet (Cariboo) Gold Mine, Ltd.," and its authorized capital was placed at £50,000 stg. in £1 shares. The property comprised some 480 acres near the village of Lillooet, Fraser river, known as the Irving, Jensen, Macdonald & Hurley, Robson, and Welton claims, and the purchase consideration was £17,500 in fully paid shares. But little was said of the value of the properties beyond the vague and laudatory puffs of one or two of the parties interested in their disposal, and, as but little development had been done upon them, their worth as producers was entirely left to the imagination of those who might be induced to invest in the enterprise. Since then Mr. Barnard has been to London and has evidently made a full use of his opportunity. The name of the company has been enlarged to the more high-sounding and pretentious "Lillooet, Fraser River and Cariboo Gold Fields, Limited," followed by what can only be described as a hasty and ill-conceived proposal to increase the capital to £300,000 instead of £50,000 as formerly. At a meeting, duly reported elsewhere in our company notes, the shareholders are asked to sanction this remarkable increase in order to alter the company from a "prospecting syndicate into a larger development company." It is singular that the original prospectus made no reference whatever to the company being merely "a prospecting syndicate," but on the contrary clearly described it as being formed to acquire and develop the claims already mentioned. The *Saturday Review*, commenting on this effort to obtain additional capital, says:

"The last cable from the company's mining superintendent stated that he had 'sunk to some depth in the bed of the Fraser river and urgently wanted pumping machinery' to keep the water out. That pumping machinery has never been sent; what is the explanation of this? What have the directors done with the original £50,000? They have not produced any accounts and their conduct appears to us most extraordinary. They certainly have not developed the claims, although they may have spent the money. The plain fact is, as the company's mining superintendent tells us, the company's 'gold claims' are waterlogged, and we may infer that the company itself is waterlogged, and (as the existing shareholders are not inclined to subscribe anything more) an indulgent public is now invited to subscribe a further £250,000 for these incapable financiers to squander. And by what means do they seek to obtain that £250,000? Do they go straightforwardly to work and advertise their new issue to the public in the regular way? No; they are securing, in as many papers as honest (? dishonest) enough to encourage such methods, the paid insertion as news matter of the report of the company's meeting on Wednesday last, which report, we may add, consists almost wholly of the speech made by the chairman of the company. That speech is intended to answer the purpose of a prospectus

introducing the new issue of capital to the public, and it may serve the purpose admirably, for it contains exaggerated and highly colored statements which never could with safety have been included in a prospectus. It is a one-sided and a glowing forecast of the company's wonderful prospects and vast prospective possessions. Above all, its insertion as news matter in responsible newspapers will lead the unsuspecting readers to suppose that the scheme which it deals with must be of a very sound and important character, for otherwise the various editors would not have devoted so much space to the report of the proceedings. This kind of thing is of course on a par with the shameless system, many times exposed but still going on, of inserting in various papers as *bona fide* news the paid-for puffs of worthless mining enterprises. We are astonished at newspapers and persons of reputation lending themselves to such disreputable practices. Are the gentlemen who at present compose the directorate of the company aware of these facts? or are they, like a great many honorable men, tools in the hands of some unscrupulous promoter?"

Referring to the original prospectus we find "The directors are all personally interested in the sale of the property, that is to say, they receive £17,500 in fully paid shares and they pay therefor to the original owners of the claims £9,750, and have also paid in having the mine examined and reported upon some £1,750, so that in consideration of the consolidation of the claims and time and trouble taken in the matter and risk to the money advanced before the formation of the company and satisfactory results obtained, their joint profit receipts are £6,000 in fully paid shares." In this remuneration there was, perhaps, nothing very unreasonable. But Mr. Barnard and his associates, during their visit to London, have evidently become imbued with the atmosphere of "Golden Africa" (which, by the way, is not even gilt), and whereas when the company was formed they professed not to stand in need of any remuneration for their services on the board, at all events, until the shareholders had received a substantial dividend, they now very coolly ask for a minimum salary of £200 per annum each, while Mr. Barnard as managing director is to pocket every year a salary five times as much as the annual increment he derives as a member of the Dominion Parliament.

In a later article, under date of 28th ultimo, the *Saturday Review* says: "We should like to ask Mr. R. M. Horne-Payne, of Sperling & Co., how far his holding (jointly with Mr. F. S. Barnard) of 27,500 out of the total number of 50,000 shares issued by the company helped him to carry the resolutions referred to. These 27,500 shares are part of an original holding of 29,050. They are described as being 'considered as fully paid'; and we shall be glad to learn how much Mr. R. M. Horne-Payne paid for them. It would gratify us to know that he paid for them at the same rate as the 1,600 shares have been paid for which he has unloaded since June last. We have not space to deal *seriatim* with the resolutions which it is proposed to confirm on Thursday next, but the object of these resolutions appears to be an exceedingly drastic 'amendment' of the company's articles of association. Whole clauses are to be cancelled while others are to undergo radical revision. The original