

panies operating in B.C. The discount-issued stock must be marked "non-assessable," and on all notices, orders, agreements, bills of exchange, notes, endorsements, cheques, and on the common seal of such discount-share issuing company, there must be added the words "non personal liability," to show those trusting the company that they have only to rely for assets on the capital paid up and general property of the undertaking, and can safely give no credit to the company on the supposed financial status of its members. A penalty of \$20 a day in default enforces this proper safeguard.

The Act also provides that without prejudice to creditors' rights accruing anterior to the passing of the Act, any discounted shares issued as "fully paid up and non-assessable" by any duly incorporated company shall involve the holders in no further liability.

A special and useful check on malfeasance by officers of a company is provided by clauses, enabling government inspectors to examine fully on oath into the affairs of any company, and report publicly thereon, upon the request of members of a company, owning a fifth part of its shares issued, and in the case of a company seeking to reduce its capital, the safeguard provisions of the English law are introduced.

Extra provincially organized companies operating in B.C. must, in the case of British, Irish or Canadian organization, obtain a license, and in the case of foreign bodies register in B.C. in each instance, paying the same fees as if a home organization seeking first registration. They must also each file a copy of the charter, with a declaration of *bona fide* existence, and a copy of the last balance sheet, together with the auditors' report, and also appoint an attorney, residing in the district of the head office of the company in the province, who is to accept service of documents, sue and be sued, and act as a general agent of the company for legal and other official purposes in B.C.

Objection is taken, not without some reason, to the fees charged for registering or licensing an extra-provincial company in the province, these equalling the cost of first registration, and being additions to like costs incurred at home by the extra provincial companies. But against this plea, it may with some force be urged that it is not wholly illegitimate for the company laws of the province to afford a stimulus in some such way to the original registration of a company intending to operate in the province, directly under the company system of such province. It tends to advance provincial home rule.

Another provision, to which much exception has been taken, requires an extra-provincial company to have a head office in B.C., and there keep a register of stocks and transfers amongst other matters. This requirement is surely not however unreasonable *per se*, and it may well have the result, no doubt indirectly sought in the Act by this and other means, of transferring to B.C. much head office and managerial business, which is now transacted abroad by extra-provincial companies, especially in such American mine centres as Spokane. B.C. desires its own mine centres to become, so far as possible, the sites of general head offices, and thus not only keep business at home, but also enable local investors to scrutinize more effectively the conduct of concerns in which they are interested. In more than one instance of an extra-provincial company, the rights of British Columbia stockholders have been rather ruthlessly treated in sale and other negotiations, held in hole and corner fashion by directors meeting far away in the States. Such things will in some measure be rendered more difficult under the Act.

The Act also contains valuable penalty provisions for safeguarding the interests of creditors and shareholders and for punishing fraudulent misrepresentation of paid up capital and other malpractices, so too for winding up companies, but these are too lengthy to quote in the limits

of a short criticism of a measure, mainly intended to discuss certain issues more specially raised by adverse critics. A careful examination of the Act will, however, convince an unprejudiced and unbiased reader, who has some experience of company management, that its provisions are on the whole sound and well intended and form at least basis on which ultimately to build an efficient company law code for British Columbia. Where the provisions differ materially from well established and well tested prototypes, there will usually be found special local reason, based on recent experience for the innovation or innovations.

And after all the chief critics of the measure are found amongst would be wild cat company promoters and amongst mining men from the other side, who are in company laws as in other matters of legal procedure inclined to favor rules that are somewhat inclined to err in the direction of laxity of safeguard of the general public interest. Here and there the British Columbia company law in following largely the precedent of England, may be found a little too minutely circumscribed to suit western circumstances exactly, without causing by technicality of procedure some slight occasional inconvenience, but the general tendency of the legislation in question is undoubtedly in a right direction.

In conclusion it may be noted, that under special mining legislation, a British Columbia precious metal mining company must take out a miners' license in \$50 a year, if capitalised at \$100,000, or under and one of \$100 if capitalised in a sum above that amount. The levies in these cases are by some deemed high, but surely neither can be regarded as a very large premium asked by the Province for the valuable privilege of seeking the precious metals. It is said that some companies cannot afford to pay these licenses, but if so, assuredly it is better for them to quit a field, which assuredly they enter in any such case, with capital altogether inadequate for success. It takes necessarily as a rule no little gold and silver to get out gold and silver.

## EN PASSANT.

Our West Kootenay correspondent Mr. J. C. Gwillim, B.A. Sc., M.E., at Slocan City, B.C. is, we regret to learn, seriously ill with an attack of typhoid fever.

Mr. William Blakemore, M.E., of Glace Bay, C.B., has gone to East Kootenay to report on some valuable coal and mineral lands in the Crow's Nest Pass.

Mr. John E. Hardman, S.B., M.E., Montreal, who has been in British Columbia all summer returned last month. Mr. Hardman goes to East Kootenay on 1st September.

The directors of the Londonderry Iron Company are endeavoring to sell their property in Cumberland county, Nova Scotia. A reconstruction of the company is not unlikely. The last statement to the shareholders showed:—

The amount at debit of Profit and	
Loss from 1895 was.....	\$60,306.47
And the result of the partial operations carried on during 1896 has been:	
Loss during six months ending 31st	
December, during the greater part	
of which the works were idle.....	\$15,220.60
Less gain on working for six months	
ending 30th June, 1896.....	6,285.27
Loss on the year.....	\$8,935.33
Carried forward at debit of Profit	
and Loss for 1897.....	\$69,241.80