

he terms marvellous gold deposit in gravel. Is sinking shafts and prospecting vigorously and pushing forward development.' The secretary adds: 'Mr. Hughes has been appointed the company's mining superintendent and he has been for years one of the most successful and experienced mining engineers known in California.'

Northern Gold Company.—Pursuant to a judgment of the High Court of Justice, Common Pleas Division, made in a cause of Phillip St. Lawrence against the Northern Gold Company and others, the creditors of the Northern Gold Company are, on or before the 2nd day of July, 1895, to send by post, prepaid, to A. C. Boyce, Rat Portage, Ontario, solicitor for the plaintiff, their Christian and surnames, addresses and descriptions, the full particulars of their claims, the statement of their accounts, the nature of the security held by them, if any, together with an affidavit verifying the claim, or in default thereof they will be peremptorily excluded from the benefit of the said judgment.

General Phosphate Corporation. An adjourned public inquiry with reference to the promotion of this company and the conduct of its business was held last month before Mr. Registrar Hood, at Pinkusky Buildings, Carey Street, Lincoln's Inn, London, Eng. The company was registered on June 13th, 1890, with a nominal capital of £1,000,000, and was formed for the purpose of acquiring and working phosphate properties, and engaging in undertakings connected therewith. Upon the last occasion Mr. Knud Sando stated that he had received commissions amounting to £16,000 from the vendors of properties purchased by the corporation. He asserted that the directors were aware of this fact, although they never inquired what sum he obtained, nor did he inform them of it.

Mr. Knud Sando was again called, and stated that in January, 1890, he entered into a contract or option for the purchase from Mr. Stewart of the "High Falls" group of phosphate properties. The purchase price was originally £54,000, but it was ultimately reduced to £40,000. Witness informed Mr. Stewart that if the price was reduced to £40,000 he would be prepared to submit the property to the board for their consideration. He learned that Mr. Stewart would be satisfied if he received £29,000, and it was subsequently agreed between them that witness should receive any amount paid to Mr. Stewart above the sum mentioned. The property being purchased for £40,000, witness was entitled to £11,000, which was satisfied by a mortgage. In connection with the "Ross Mountain group," witness received a letter from an agent promising him £5,000 if he was instrumental in selling the property. The corporation eventually purchased it for £55,000, and he received his commission on the sale. The sum of £1,000, which he paid to Mr. Davidson, was in respect of private services rendered in Canada. He denied that he had promised any remuneration to an expert who had furnished reports upon the properties to the corporation.

Mr. H. Mallaby-Deeley, a director of the company, was next called, and in reply to the official receiver stated that the matter was introduced to his notice in December, 1889. Mr. Sando sent him a commission note promising him £1,000 and twenty founders' shares if he succeeded in obtaining three directors for the proposed phosphate trust. The original idea was to form a company to acquire certain phosphate properties at the price of about £600,000, but upon mentioning the matter to several gentlemen, witness found that he could not obtain directors of sufficient standing and importance to carry out a scheme of such magnitude, owing to the fact that they would be bound to purchase certain properties. He informed Sando of this, and the scheme was ultimately altered so as to leave the directors entirely unfettered in their selection of properties. The commission note referred to was then destroyed by witness. Questioned as to what took place with reference to the qualification of the directors, witness said that Sir James Whitehead asked him whether Sando was giving him anything for the work he was doing. Witness said that he had no arrangements with regard to the corporation, but that Sando had agreed to qualify him as a director, and that he had agreed to qualify any director whom witness obtained. Sir James Whitehead expressed his disapproval of this course, and mentioned the matter at the next board meeting, when Sando was called into the room and informed that if he offered to qualify any of the directors they would not accept his offer. After the formation of the corporation Sando gave him twenty founders' shares for services which he had rendered in connection with a colonization company which Sando was about to form in British Columbia. Witness had obtained introductions to members of parliament who could assist in the scheme, and received the shares as remuneration on that account. Sando subsequently offered to purchase the shares from him for £1,000, but, as a matter of fact, the witness had only received £550.

Mr. H. Mallaby-Deeley was again examined by the Official Receiver. He stated that on August 15, 1890, the board considered the purchase of properties, and a committee, consisting of Sir G. Baden-Powell and witness, was appointed to negotiate with Mr. Stewart for the purchase of the "High Falls" group, situated in the townships of Portland West and Bowman, in the Province of Quebec, at a price not exceeding £40,000. It was subsequently agreed that the property should be purchased for that sum. In the agreement for purchase it was directed that "Mr. Attwood, or some other person to be approved by the vendor," should report upon the property. The directors discussed the question of appointing an expert, and decided that they could not do better than appoint Mr. Attwood. He denied that it was part of the bargain that this expert should be appointed. The directors obtained the services of those experts upon whose opinions they considered they could rely. In 1891 the company entered into a fresh speculation, known as the "North Star" scheme. The matter was introduced to the board by Mr. H. S. Foster, M. P., and the scheme had for its object the acquisition of the North Star and Washington mines, situated near the High Falls property, with a lease of certain phosphate mills in the neighborhood. It appeared that Mr. Lamson Wills had made a report upon the property, from which it seemed that the productive power of the North Star mine had greatly fallen off. In April, 1891, the heads of an agreement were signed under which the company and the London and Colonial Finance Corporation, Limited, were to combine in order to carry out the scheme. The directors of the two companies were not satisfied with the report referred to, and Mr. Attwood was appointed to inspect the property. His report was satisfactory, and the board considered that they were justified in entering upon the transaction. Witness was present when 117 founders' shares were allotted Mr. Sando.

The Official Receiver: I think you will agree that Mr. Sando was taking upon himself a very heavy responsibility under this allotment?

Witness said: But Mr. Sando was to be relieved of applications for founders' shares were received. He was ultimately relieved of fifty nine shares.

The Official Receiver: That leaves a responsibility for £29,000.

Witness said that would be so if all the calls upon the shares were made. The directors were not aware at the time that Mr. Sando was almost without means, but on the contrary, they knew that he had paid the registration fees, although witness did not know that the money had been borrowed for that purpose. The directors had no knowledge as to Mr. Sando's means, and made no inquiry upon the subject. Towards the end of 1890 the company was in very low water so far as finances were concerned. A circular was issued in December of that year inviting further subscriptions for shares. The appeal failed, and no further attempt was made to obtain money by

means of shares. The directors then turned to other quarters, and began seriously to think about a debenture issue. Eventually a debenture issue was arranged for £100,000, at 6 per cent. interest, and a commission of 15 per cent.

The Official Receiver: How much did the Company receive out of the £100,000?

Witness said that £5,400 in cash was received, and there was a right to call for a further £14,000, and the mortgages on the properties were paid off. The Company was in need of money, and it was necessary to pay off the mortgages before money could be raised.

The Official Receiver: I put it to you that if you had not spent £95,000 in the purchase of properties, with a paid-up capital of £45,000 only, you need not have raised this money?

Witness said that he could not accept this view of the matter. If the shares had been fully paid up, there would have been sufficient to carry on the mines without raising money on debentures.

Mr. Butcher next examined the witness, who stated that he was aware that Mr. Sando had entered into "options" with the original vendors of properties. He did not call the commissions which Mr. Sando was receiving "secret profits."

Mr. Butcher: Are you aware that promoters are not allowed by law to obtain secret profits out of a company?

Witness: I thought that a promoter could get as much as he possibly could out of a company. (Laughter.)

Mr. Butcher: I am afraid that it is a principle they sometimes act upon. (Laughter.)

Examined by Mr. Cock, Q. C., the witness stated that Sir James Whitehead resigned his seat on the board before any agreement had been entered into for the purchase of properties, and previously to the capital of the Company being dealt with in any way. At the time the directors allotted the founders' shares to Mr. Sando they did not intend to call up more than £2 per share. The directors fully believed that he would be in a position to provide the money for the shares. Sir James Whitehead resigned his position on the board on account of ill-health.

By Mr. Ridley: The properties purchased by the board were chosen out of a great number submitted to them, and he was not aware of any further precautions that could have been taken by the board to satisfy themselves as to the value of the properties.

The inquiry terminated shortly afterwards.

Guelph Norway Iron and Steel Company is applying for Ontario charter to manufacture iron and steel from ores and from scrap iron and steel, and to manufacture iron and steel into any products of iron and steel, etc. Head office: Guelph, Ont. Authorized capital, \$50,000, in shares of \$100.00. Directors: James Watt Christian Kloepper, Frank Dowler, A. R. Woodyat, and J. E. McElderry.

North American Graphite and Mining Co., Ltd.—This company is reported to have acquired the Dickson graphite property in the Buckingham district and work is to proceed forthwith. Mr. H. P. H. Brumell, for a number of years assistant in the mining division of the Geological Survey of Canada, has resigned and will assume the management of the company's operations.

Kootenay Gold, Silver and Copper Mining Company, Ltd.—Registered at Victoria, B.C., 22nd April, 1895. Authorized capital, \$100,000, in shares of \$25.00 each. Directors: Charles J. Mitchell, Thos. R. Morrow, and George D. Scott. Head office: Vancouver, B.C. Mining to be carried on in the Kootenay district, Province of British Columbia.

Kootenai Hydraulic Mining Co., Ltd., is applying for charter of incorporation to acquire and operate mineral claims in the Pend d'Oreille River district, British Columbia. Head office: Rochester, N.Y. Authorized capital, \$500,000.

Vancouver Gold and Silver Exploration and Concessions Company, Ltd.—Authorized capital, \$500,000, in shares of \$100. Directors: Johann Wulffshorn, R. G. Tatlow, A. Williams, Chas. Stinson, Robert Hamilton, J. W. Campion. Head office: Vancouver, B.C. Formed to operate in British Columbia.

Horsefly Hydranlic Mining Co. Ltd.—At the works of the company on the Horsefly River, Cariboo, B.C., the most interesting event since our last report has been the successful blasting operations which have been carried out to loosen up the cement gravel deposits. On the 1st ult., a blast was fired in the bank at the new pit, 160 kegs of powder being used. The ground was well broken up for a distance of 80 feet, and the result was all that could be wished. On the 5th ult., the larger blast was fired in the old bank. A drift had been run in the bank, at a depth of between 200 and 300 feet from the top of the bank, to a distance of 1,800 feet, where drifts were made right and left in the shape of a T. In this the enormous quantity of 40,000 pounds of powder had been placed for the blast. This was fired by electricity and the operation was completely successful. The surface of the immense mass was raised about 6 feet and then fell back into its former position and nothing was disturbed. So nicely had the calculation been made as to the requisite strength of the blast that not a stone flew 100 feet away. Hydraulic operations on the gravel will be greatly facilitated by the loosening up of the bank by this blast. The water was to be turned on on the 11th ult., and by this time it is probable that work is being carried on in full force. It is expected that the first clean up for this season at both the Cariboo and Horsefly claims will take place before the end of June and it is anticipated that the results will be very satisfactory to the shareholders. Should the water supply continue to be sufficient for full operations, the season's work on these two properties should give such returns as will show the immense possibilities for successful hydraulic mining that are still to be found in the Cariboo district.

Ottawa Hydraulic Mining and Milling Co. Ltd., applies for B.C. charter to acquire by purchase the lease of the ground situate at Boston Bar, on the east side of the Fraser River, containing 64 acres, more or less, which said lease was made by Mr. G. C. Tunstall, Gold Commissioner, to Edmund Alexander Watson on the 5th day of June, 1893, for the sum of one thousand dollars in cash, and for the purpose of acquiring by purchase or otherwise of any mines or mining property in British Columbia, whether alluvial or mineral, and for the purpose of working any such mines or claims in the most approved and workmanlike manner, and for the purpose of erecting quartz-mills and smelters and saw mills, and any other known appliance for the purpose of working any mines or ores obtained therefrom, and for the purpose of acquiring water and water rights for the purpose of working any claims or property that may be acquired by the company. Authorized capital, \$250,000, in shares of \$5. Directors,