

last 12 months was about \$490.34. Of coal, the total quantity raised and sold for the year ended Dec. 31, '68, was 453,617 tons—of which all except about 40,000 tons was "round." Of the total, 117,624 tons went into home consumption, 102,761 tons were exported to neighboring Colonies, and 233,178 tons shipped to other countries, principally to the States. 2,639 men and boys were employed in the coal mines, and 60 engines of 2,382 horse power.

THE LIABILITY OF DIRECTORS.

In a previous article on the rights and liabilities of Directors we referred at length to the case of *Turquand vs. Marshall*, then recently decided by the Master of the Rolls. We chose that case, not only as being the most recent decision, but because in the arguments and judgment almost every leading case on the subject had been cited and commented on. It will be seen from the report which we abstract below, both of the case and the judgment, that on appeal to the Lord Chancellor, the rules of law which were enunciated by Lord Romilly in his judgment, have been affirmed to their fullest extent, but the Lord Chancellor decided against the form of the application, and limited the time and mode within and by which shareholders can recover against negligent or fraudulent Directors.

This was an appeal from a decree of the Master of the Rolls. The suit was instituted by Mr. W. Turquand, the official liquidator of the Herefordshire Banking Company, and it sought to render certain of the directors liable for various acts and defaults in the management of the company's affairs. The acts complained of commenced in 1846, from which time down to the termination of the business of the company, it was alleged, the directors annually presented to the shareholders false reports of the progress and proceedings of the company, and false balance-sheets, and recommended the declaration of dividends upon repeated false statements that profits had been earned; that they had failed to dissolve the company under the 108th clause of the deed of settlement; the whole of the surplus fund and one-fourth of the paid-up capital having, to the knowledge of the directors, been lost in 1846; and that one of the directors was improperly allowed to overdraw his account without the sanction of any resolution of the board. It was held in the court below that the directors were liable for all loss occasioned by continuing the business of the bank after the surplus fund and one-fourth of the capital had been lost; that in the absence of the shareholders who had received the dividends, and who therefore could not be compelled to refund them, the directors could not be compelled to repay the dividends paid out of the capital; that they were liable for loss occasioned by the allowing the directors to overdraw their accounts; but that they could not, in this suit, be fixed with liability for issuing false reports or balance sheets, the damage thereby done being caused to the shareholders individually and not to the company in its corporate character.

The Lord Chancellor said that, after looking carefully through the evidence, he entirely concurred with the opinion of the Master of the Rolls, that the managing directors were aware of the inaccuracy of the accounts, and that the other directors, who might not have examined the books, must be taken to be liable to all the consequences. The case alleged, however, was simply that the directors gave a favorable aspect to matters which they ought not to have done, but not that they obtained any advantage by so doing. This might or might not have injured any particular share-

holder, and would require investigation into each particular case, but the extent of the injury was a matter which that court could never satisfactorily ascertain. It could not be the subject of a suit of this nature in which the court had only to consider whether the directors, in their character of directors, or quasi trustees, had committed breaches of trust against the shareholders which had injured the whole body alike. With regard to the non-stoppage of the company after the exhaustion of the surplus fund and one-fourth of the capital, the proceedings of the shareholders, in agreeing to receive dividends, fixed them with a knowledge of the fact. He had no difficulty in treating the directors as trustees in respect to the assets submitted to their charge, and with regard to those assets they must account. Under all the circumstances, his lordship thought the suit was not one in which it was possible for that court to give relief; but he would mark his opinion of the conduct of the directors by dismissing the bill and the appeal without costs.

MADOC GOLD DISTRICT.

(From our own Correspondent.)

BELLEVILLE, June 14th, 1869.

After a long interval of dormancy, interspersed with fleeting periods of spasmodic excitement, a few symptoms of returning activity are beginning to appear in the mining region of Hastings. It may be expected that whatever is done hereafter will be upon a surer and sounder footing than the rash and ill-considered enterprises which have resulted so unfortunately for their promoters. Many of those undertakings were based upon nothing more substantial than the *ipse dixit* of a few pretenders to practical skill or scientific knowledge, whose ability was unequal to the tasks they set themselves to perform; or whose honesty was like that of the celebrated Dr. Douserswivel, in Sir Walter Scott's admirable tale of "The Antiquary," a tale which all who intend to go into mining should read before selecting their assayer or their operator. Another obstacle to the substantial development of the really valuable mineral deposits which exist in this district, arises from the multiplicity of cross titles and conflicting claims that encumber almost every lot or portion of a lot of land which promises to afford remuneration to the miner. These encumbrances have, for the most part, originated in the cupidity of speculators, and the simplicity of the farmers, mostly ignorant men, who granted long leases for hypothetical considerations, or made time bargains, *allowing the lessees to drive their own agreements*, and when the periods had elapsed for which they considered themselves bound, made new agreements with other persons, who when they attempt to develop what they consider they are the indisputed owners of, find themselves entangled into law suits, from which they can only be released by the tedious and expensive process of the Chancery Court. To such an extent has this practice prevailed, that I myself know several instances where responsible persons have been for some time, and still are ready to invest capital to a large amount, if they could be assured that the title of the property they propose to purchase is sound, and that they are not likely to be involved in legal proceedings. One of the best mines in the district, the ore of which has stood the test of repeated assays, yielding gold, silver and copper, to the amount of \$300 to \$500 per ton concentrated, is claimed by no less than four several parties, and is besides now in Chancery. If our Legislature is too timid or too supine to deal with these pseudo claims, by enacting that all time-bargains for mining rights which shall have lapsed, or which shall hereafter lapse, by reason of non-fulfilment of their respective conditions, shall become void and of none effect from the passing of such Act, or from the termination of the period over which they extend respectively, notwithstanding any omission or in-

formality in the instruments by which they are evidenced and sustained; it would surely be better for the holders of such documents to agree among themselves to sell the properties in dispute, join in the conveyance to the purchasers, and divide the proceeds in a rateable proportion. If this course could be pursued in a few instances, several good mines might be brought into profitable operation before the close of the year.

The Merchants' Union Company, finding the machinery purchased by them from Mr. Daniels too small, and otherwise unsuited for the reduction of their ore, have advertised the mill for sale, intending to apply the proceeds to a more searching investigation into the worth of their mine. The vein looks well, and has given some fair and some inferior assays, but will require the working of a few tons to determine its real value; for which purpose the present time affords a favorable opportunity, as none of the mills are running upon their own ores.

It is pleasant to turn from the contemplation of these disasters and disappointments to an example of a more cheering tendency. The Mallorytown Company have got their mill (10 stamps) into working order, and have made two crushings. The first of 20 tons, 16 tons of surface rock, and 4 tons from the body of the vein, produced 8 ounces of gold of good standard. The second, four day's work with nine stamps running (I have not learned the exact quantity of ore crushed, but suppose from 25 to 30 tons) yielded 13 ounces; which fully bears out the assays on the faith of which the enterprise was undertaken.

I fully believe that, with similar good management, equal success may be had in this region; as a gentleman on whose judgment and veracity I can rely, informed me lately that he had visited some of the veins discovered last summer in the Township of Marmora, that he crushed and panned out some of the rock, and washed over some of the super-incumbent soil, and saw more gold than he had seen before in all his mining experience—and he was one of our earliest and most active prospectors. He also reports favorably on some of the veins in the vicinity of Bannockburn, Township of Madoc.

[We understand that the preliminary assays of the Mallorytown mine were made by Prof. Bell, of Albert College, Belleville.—Ed.]

WHAT BECOMES OF THE PRECIOUS METALS.

The product of the precious metals throughout the world in 1853 (estimate of the Commissioner from California to the Paris Exposition) was \$156,600,000 gold and \$37,000,000 silver, or a total of \$193,600,000. Of this total, \$61,000,000 is credited to the United States, and \$60,000,000 to Australia, the remaining \$72,600,000 being apportioned to Europe, Asia, Africa, South America, Mexico, Russia and Siberia. According to the same authority, the aggregate for 1867 was \$184,400,000, of which \$130,680,000 was gold and \$53,820,000 silver. Of this, the United States is credited with \$7,000,000, viz: \$56,000,000 in gold and \$16,000,000 in silver. Thus while the product of the precious metals in the United States increased \$11,000,000 in 14 years, according to this authority, the yield of Australia, the next largest producer, fell off about \$29,000,000, and nearly all other foreign sources show more or less decrease. It is not probable that the limit of production of gold and silver in the United States will be reached during the present generation. The mines of California, Nevada, Washington, Idaho, Montana, Arizona, New Mexico, Colorado and Utah, are the strongholds of innumerable millions of precious metals, and to adopt the metaphor of the Executive in his inaugural, the Pacific and lateral railroads constitute the key that is being forged to release this treasure.

The answer to the question that is often propounded, as to what becomes of all the gold and