

to the miners themselves, to holders of property, investors and merchants should bring home to any thoughtful mind the extreme danger and delicacy of interfering with the social mechanism by hasty and ill-considered legislation.

We have before us the annual report of the Van Anda Copper and Gold Company, and while it has been our privilege to peruse many very remarkable productions in the way of joint stock company literature, the present document is without question entitled to pre-eminence as the strangest and most unbusinesslike report ever sent out from the office of a presumably

responsible concern. The statement, or so-called balance sheet, covers a period from April, 1896 to December 31st, 1899, and consequently includes the receipts and expenditures as set out in the balance sheet previously published by the company to March 1st, 1899. Referring, for the present, to two items under the heading of assets and liabilities in the statement of March, 1899, we find mineral lands, land and townsite stands at a cost of \$5,000,000. One would imagine that this was sufficient; but seemingly the directors were not satisfied with this amount for they added (under a second heading) \$525,000 for "ore exposed" on part of the same property. Now, in the present report we find a memorandum to the effect that the management of the company "misled themselves" at any rate as regards the estimate of ore exposed in one of the properties. It is to be hoped that the public were not also "misled" by the publication of figures which were obviously and admittedly "misleading." Such mistakes are sometimes likely to prove costly, and we would refer the directors of the Van Anda Company to section 156 of the Companies' Act, 1897. In the present report the error is again committed of valuing the "exposed ore," which on this occasion is estimated to be worth \$450,000, and described as an asset. It should surely be clear to any board of directors that until the ore has been raised to the surface and is "at grass" it cannot be treated in the form of an asset in the accounts. The amount of ore blocked out in a mine should be mentioned only in the manager's report and the only way in which the company may incorporate in their accounts an asset relative to "ore blocked out" would be the cost of (say) a shaft through which the ore would have to pass out of the mine. Even with an asset of this nature provision would have to be made for each ton of ore extracted to pay its proportion of the cost of such shaft or permanent work in order that when all the ore is extracted the asset will have disappeared.

Another misleading item set down as an asset is the townsite valued at \$50,000. This land is also included in the company's chief asset valued at \$5,000,000. Again another doubtful asset is that under the heading of bonds, value \$180,000. This raises the question "when is a bond a bond?" Surely not until value has passed for it. The correct way in which this item should have been stated in the liabilities, surely is:

Bonds authorized	225,000
unissued	180,000
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10-year bonds issued	\$45,000

Thus the company would not have shown as an asset the item \$180,000 to which we object. Another asset, that of timber, valued at \$2,000, is certainly stretching a point, as the tenure is simply for one year from the issuance of a special license, and it is hardly likely that the company requires forty million feet of timber in that period. Meanwhile we print the following extracts from the balance sheets of March and December, 1899, in parallel columns:

BALANCE SHEET.

Receipts.	March 1, 1899.	Dec. 31, 1899
Stock sales	\$51,846 08	\$54,667 18
Commission	415 80	409 17
Teaming	81 27	.....
Cash loan, H. W. Treat.	5,026 05	57,007 05
Disbursements. March 1, 1899. Dec. 31, 1899		
Assay office and assaying	\$2,181 32	.....
Labour and salaries	70,872 26	.....
Labour . . . . .	.....	\$162,038 97
Bills receivable	405 00	3,057 14
Wharf	781 00	.....
Raven Copper & Gold Co.	1,634 52	.....
Due on lots and buildings	.....	17,645 06
Due on lots and advances	.....	.....
on buildings	1,592 58	.....
Discount on bond sales . . . . .	.....	9,670 00

The first item refers to stock sales, which shows that shares to the value of \$2,803.10 have been disposed of for the benefit of the company during the period from March 1st to December 31st, 1899. There is no mention in any of the accounts that the company had any unissued stock to sell, nor is it stated that any shares in the nature of treasury stock are held by trustees, the proceeds from the sale of which would belong to the company. The item of \$54,667.18 entered as a receipt from stock sales in the December balance sheet must therefore be regarded as a gift from the promoters or others; and shareholders in lieu of information to the contrary can only assume that the enormous capital of five millions has been issued and paid for by the transfer of the "mineral lands and lands" appearing in the general statement at the same amount as the authorized, issued and fully paid up stock of the concern. On the other hand it is generally understood that a very large proportion of the stock remains the property of the company; but if this is true the accounts should undoubtedly show that this is the case, otherwise the proceeds of future sales from this source would be at the disposal of those in whose name the stock is entered, the company having no control of what should be an asset of value to be utilized for the purpose of working capital. Under the head of commissions we find a difference between the amounts entered in the respective balance sheets of \$6.63, and this would appear to show that the company earned in commissions between March 1st and December, 1899, this amount more than it paid out for commissions. Several curious omissions are noticeable in the present statement. The March balance sheet shows that the sum of \$81.27 had been earned on teaming work, but the balance sheet of December—which is supposed to be a repetition of the March statement as well as a statement of the company's accounts for the nine months following—contains no such entry. In the March statement \$2,181.32 appeared under the head of disbursements against "assay