

freight and treatment charge of \$4.50 include the refining charges, or is the valuation of \$13 a ton of ore the value of the matte at the smelter? Presumably from the way in which the information is given \$7.75 is either the gross cost or \$13 is the net value. In either case the profit on Le Roi ore is \$5 per ton of ore mined. There is therefore evidently no difficulty whatever in keeping the record of the earning capacity of the Le Roi mine. Every 10,000 tons earns a dividend of 1 per cent. It may be a little more but that is the safe method of calculating. At the present rate of shipment the Le Roi is earning about 20 per cent. per annum. When it increases its shipments to 1,000 tons a day it will be earning at the rate of 30 per cent. allowing 300 days to the year. It must be confessed that both the present condition and future outlook of the mine are exceedingly satisfactory. It seems assured of a long and prosperous career. The effect of this report should be to reassure everyone as to the solidity and prosperity of the Trail Creek mines. It points with no uncertain finger to surprising developments in the wealth and productivity of the district. The incoming year should be one of memorable progress in that locality.

To estimate all the causes which led to the downfall of the London & Globe Financial Corporation with which British Columbia was unfortunately to some extent connected, would be to write an essay on the corruption of English finance as applied to foreign enterprise, a task as far beyond our powers as outside the domain of the MINING RECORD. English foreign enterprise instead of reaching forth after the resources of other countries and rendering them productive, thus conferring a benefit where it reaps a profit, seems, in this era of joint stock companies, to have been turned inwards as it were, and to be de-

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signed to prey upon and dissipate the vast stores of capital accumulated in Great Britain itself. The continual inflation of shares without reference to their profit earning nature is merely a making believe to be rich and the wealth thus taken from the industrious part of the community is wasted in luxury and in all manner of unproductive expenditure. Not only so but the hope of sudden fortune at the expense of the less lucky, saps the very foundation of industry, and induces even in the legitimate branches of trade a morbid and unhealthy excitement. This gambling spirit to which all nations have at times and for longer or shorter periods given way, seems to have become the settled habit of the community and to be spreading contagion through all ranks and classes. When the London & Globe Finance Corporation is analyzed we fail to see anything in it except a vast pool for the purpose of raising and lowering the price of shares independently of their intrinsic value. No matter with what skill operations of this kind are carried on the end is ultimately certain. It is possible to raise shares above their intrinsic value by buying them in, but to sell them again at the higher price is entirely a different matter and is an operation which cannot be very frequently repeated. A large actual and realized profit may be made by buying in a free market more than all the shares out in a particular company. The unfortunates who have sold what they cannot deliver are at the mercy of the price manipulator. But if as fre-

quently happens, the shares actually bought in are of much less value than the price paid for them, the profit is much more apparent than real. If a man buys for \$10 what will only give a return on \$2 he has lost \$8 and the fact that occasionally he may sell it for \$12 does not alter in the slightest degree the result of the first operation. No amount of legerdemain can change the elementary simplicity of natural laws. The disassociation of value from price may be longer or shorter but that they can be permanently separated is impossible. To break the relation between price and value appears to be the continually renewed effort of the Grants, Hooleys, Cattons, Bottomleys and Wrights. They succeed for a while but eventually they fail because they are attempting an impossibility. They are seconded by the mordant greed of gain and the desire to get rich fast which is one of the worst passions and most deeply rooted in human nature. They spread the corruption on which they thrive. One house of cards having fallen to the ground the greedy public seems only too willing to assist in laying the foundations of another. That Mr. Whitaker Wright has been as much the victim as the author of corrupt finance we are quite ready to believe. Certainly the mining methods adopted by the companies controlled by him have been beyond all praise for both science and economy. The MINING RECORD has always drawn a sharp distinction between his mining and his financial methods. The first show, daring, grasp, invention, prudence and despatch; the second, a complete disregard of ordinary prudential calculation. He gives the impression more of a daring actor in a saturnalia of corruption than of a mover and instigator of financial debauchery. "Men have lived in times when great abuses flourished and have sometimes even been the living representatives of the abuses" whose private character and ability have been beyond question. It becomes a difficult matter to apportion their personal responsibility and one from which the severest critic may shrink. Under this veil of charity the features of Mr. Whitaker Wright may well be hid, and with a greater certainty of approval those of the venerable Marquis of Dufferin for whom his years, his sorrow and his public service plead alike.

The consequences of this financial corruption are much more serious in reference to Great Britain than they are in reference to British Columbia. British capital is indeed invited into British Columbia. But if the machinery for its introduction has broken down through causes for which the province is in no sense responsible (and here we refer not to the failure of an individual company for raising capital, but to the vice which infects the whole system of raising and applying capital abroad) it does not mean that British Columbia will starve for want of capital, but that Great Britain serves notice of abdication from the financial empire of the world. Continental investors, English investors themselves as well as Canadian and American investors, will soon learn to invest money in concerns controlled and managed on this side of the water if they find that in such concerns overcapitalization is less frequent and abuses of speculation less numerous. Capital is impersonal and cosmopolitan. It is attracted by the hope of a high return and by security against loss. It will flow as readily from Europe to America and from Eastern Canada and the United States through the medium of the individual investor as through the medium of the foreign company if a better and more economi-