

comparatively modest sum of \$110,000, probably nearly if not quite the then market value. The Company's "independent engineer" is however quite ready to back his purchasers, the promoting companies whose countenance and control mean everything to the Queen Bess undertaking, and its shareholders, in assurances that the company makes a good "buy" of properties which he sold for an equivalent of less than £23,000 at a big advance price of £85,000, payable as to £33,333 in fully paid shares, and as to the balance—if the promoting companies can conveniently get it—from the shareholders wholly in cash, otherwise the option being the vendors' in part cash the remainder in shares. Mr. Campbell-Johnston's position in the affair is accordingly dependent rather than independent, a fact that like the very curious miscalculations that he makes in his report, discounts very considerably the value of his highly approving dicta concerning a property which he has every inducement to rate as he does, at its highest attainable value allowing, favorably for many more than usually doubtful contingencies.

On further examination of the Queen Bess Company's remarkable prospectus, it will be noted that the "independent engineer" recommends the obtaining of a working capital of £15,000 with a reserve of £10,000 for the purpose of developing the six properties and with a view also to erect a concentrator at the mines. Hence the directors—and this point would almost seem to have in part suggested the fixture of £85,000 as purchase money by the two promoting companies, of one or other of which most of them are members, propose to call for a first issue in all of £100,000 including their own paid-up shares and shareholders cash duly pursued for purchase money. So they leave for working capital the sum and only the sum fixed by the "independent engineer," though they provide for a possible further issue of £20,000 in shares for the purpose of the reserve that he suggests. The directors therefore, being no doubt modestly doubtful as to the hold they can secure on the British investing public, take care that after the promoting companies with which most of them are associated have absorbed the bulk of the company's funds and stock, representing possible funds, the confiding investing public shall only be asked to provide at best £35,000 for the working and development of the mine. So the directors leave slight margin to meet any possible underestimate of their "independent engineer," though, as we shall note, it were surely well so to do, in view of some remarkable errors of calculation and description made by him in his report and the plan issued with it by the Queen Bess directors. They rely, doubtless, on the suggestion, which they by implication make in their prospectus, of their being exception-

ally benevolent and philanthropic, since they state that their purchase money represents less than the value of the ore actually in sight, which, put by them at \$474,500, nearly doubles the "independent engineer's" own figures, which in themselves are based on methods of calculation very like those which represented the famous concern of the Galena Mines, Limited, to be possessed on its formation as a company, of immense values in the form of ore in sight. Which ore in sight has, as too often happens with things that are in bulk rather visible than attainable, failed to materialise, save to the extent of a percentage as small as the dividend in an exceptionally bad bankruptcy. Were it not that just as a "bird in the hand is worth at least two in the bush, and a dollar in value of ore gotten out is usually worth at least four dollars of ore merely "in sight," especially when estimated by "independent engineers" who happen to be considerably interested in a company's deal, we should really esteem the gentlemen who are at one and the same time Queen Bess directors and directors of the vendor companies to be individuals of an exceptionally benevolent type. But one knows, of course, the report of the "independent engineer," showing this on its face, that these estimates of ore in sight are obtained by occasional short tunnel and face working exposures at none too frequent intervals, no sufficient allowance being made for possible narrowings of ledges, pinchings out of ore ledges and a hundred other contingencies which may well reduce enormously the actual results from "ore in sight." And, as we said, the "independent engineers'" report is on its face more than usually inaccurate, even for one that is obviously designed to suit the purpose of promoters who mean to get all they can out of a concern, whatever the outcome as regards the investing public. Thus, according to the "independent engineer,"—we quote from his "Description of the Queen Bess Claim"—four tunnels have been driven "more or less"—nice little saving clause—"along the vein." When, however, we turn to the plan annexed we find that only three tunnels, and the first of these a very short one of 35 feet, meet No. 1 vein on the "Queen Bess" claim, the fourth tunnel meeting the same vein in the Young Dominion claim. The "independent engineer" is therefore soon shown to be by no means careful "to join his flats," to use the suggestive metaphor of the stage carpenter, for he quite fails to make his report agree with the plan annexed. Then again, his report says that tunnel No. 4, already shown not to run as he suggests: into the Queen Bess, but tapping instead the Young Dominion claim, traverses a distance of 333.6 feet. The plan says 320 feet, and here again report and plan fail to correspond. It is also somewhat significant to note that the "independent engineer"