

Correspondence.

MANITOBA BUSINESS CONDITIONS.

Editor MONETARY TIMES:

SIR,—The interesting letter of your correspondent, Mr H. G. P. Deans, in your issue of November 29th, has no doubt been read by many others than the Manitoba merchants, and, while congratulating him on the optimistic views that he entertains, it is hard for those who are on the spot to agree with some of his statements. *En passant*, some of us might feel that the "rash contraction" (sic?) of debt cannot be too rash to suit us, but when Mr. Deans undertakes to tell Eastern Canada that the "present price of wheat is sufficient to make a fair return" to those who sell now, it is time that a serious protest was entered.

Does he dare to state that 39 cents per bushel for No. 1 hard is a "fair return," even for those who are fortunate enough to have a crop of that grade? Presumably, then, those who have only the lower grades down, say, to 1 frozen—for they are largely in the majority—are also getting a fair return. I recommend Mr. Deans to make a short calculation at 30 cents and 35 cents per bushel, based on the Government returns per acre, and I think he will not write so glibly about this "fair return."

Again, it is comforting news to the farmer and grain merchant to learn that a rise of "10, 12 or perhaps 15 cents" per bushel is imminent, but when he sees the authority for such a statement, I question whether he will speculate for a rise without further warrant.

I agree entirely with Mr. Deans as to the enterprise and push of Manitoba—and forgive him the vulgarity he deplores—but, as a business man of over ten years' experience in Manitoba, I feel that against the stone-wall of high rates, high protection and low prices, all our push is futile and our efforts wasted.

Yours faithfully,

SCOTUS.

Brandon, 5th December, 1895

BETTER HOTELS.

Editor MONETARY TIMES:

SIR,—I notice that the Commercial Travelers' Associations of your province are making some stir in the way of trying to get some of the hotels made fit to live in. And I for one would wish to back them up in this move all I can. And so I write to you to say, if you really need anybody's testimony about the matter, there is great room for improvement in many country hotels in your province. Many a night's broken rest have I spent which need not to have been broken rest if the proprietors of the hotels had done their duty by the people that stopped in their houses.

And mind you, your province is not the only one where there is need for bettering of public houses. I have been in taverns in this province and in the Maritime Provinces that were just simply shameful. I cut some months ago a piece out of the *Maritime Grocer*, being a letter from a traveling man, and he said: "I wish you would put in a plea for a better hotel service on the western shore. It seems to me that an all round 'kick' on the part of the commercial traveling fraternity would result in the correction of so poor a service. Of course, there are one or two hotels that are well appointed and give good attention, but the majority of them are rank."

Now, I am not going to say, like this man does, that there are not more than one or two good hotels in western Nova Scotia, but I will say that there are a good number of bad ones. I would like to see you write the matter up and get some action taken on it some way or other.

ON THE ROAD.

Montreal, 11th December, 1895.

A BRITISH COLUMBIA MINING CASE

Mr. E. W. Edwards, of 1028 Melville street, Vancouver, writes to us under date 28th Nov., respecting what was said in a previous issue of THE MONETARY TIMES about a judgment of Chief Justice Davie in the matter of Alworth vs. Gallagher & Crockett. We have not room for the whole of his lengthy letter, but give the bulk of it:

"I was joined as co-defendant by order of court. My suit, however, was independent of the other, and was for the purpose of compelling Alworth and Wood, directors of the Fraser River Mining and Dredging Company, Ltd., to

restore to the company 82,500 shares out of the 85,000 not being paid for; 14,166 shares on private agreement, between Crockett and Alworth; 14,166 shares on private agreement between Crockett and Wood; 3,338 shares to Wood only, on private agreement between Wood and the 49 per cent. parties. Thus there were 114,166 shares of the face value of \$10 illegally issued. Being a shareholder, I will give you a few facts, which you are not informed about in the judgment.

"In the early part of 1894 some Vancouver men, interested in other dredging, took interest in the scheme of dredging the Fraser River for gold. They secured leases from the Government, and the co-operation of one Crockett, an American, accustomed to mining, who satisfied himself as to the *bona fides* of the enterprise, and they decided to form a company. Crockett then went to Duluth, and secured the co-operation of Wood and Alworth, and the latter agreed to furnish, with the assistance of his friends and Crockett, the necessary money, estimated by all parties to be 'amply sufficient,' viz., \$25,000; and in consequence an agreement was signed by Alworth, two Baileys, Gallagher, Beattie, Tallyard and Crockett, the principal points of which were—

"1st. That the parties owning the leases should sell them to the company and receive their pay in 49 per cent. of fully paid stock of the company to be formed, paid up; capital to be \$2,500,000 in \$10 shares.

"2nd. That the remaining 51 per cent. should be issued fully paid to Crockett, who should transfer to Alworth 85,000 shares out of his 127,500 shares for the consideration of \$25,000 only, to be advanced by Alworth, and that therefore Crockett would have 42,500 shares left out of his 51 per cent. to pay him for his time and expense already incurred and to be incurred in the future, according to next clause.

"3rd. Crockett, as a practical man, should superintend the construction and placing in operation of a suitable plant on the company's property, viz.: Clam-shell dredge, centrifugal pumps, stern wheel propelling boat, etc. The \$25,000 was considered fully sufficient to complete it, and it was provided that the first year's rental was to be repaid to Alworth out of the first earnings, so that Alworth was only to advance \$28,500 in reality.

"4th. The 49 per cent. parties were to furnish all capital required for construction over the \$28,500, and they had to deposit one-third of their 49 per cent. stock with the company as security. The charter was granted in July, 1894, and at the first meeting on July 30th, Alworth, Wood, Crockett and Gallagher, being four directors out of the five, met, and immediately voted the stock away in accordance with their previous agreement as above; so that in the morning they had a capital as a credit of \$2,500,000, and in the afternoon all they had to show for it was the leases for 49 per cent. of the capital, and a promise of \$25,000 cash and the services of one of themselves in superintending the construction of a plant intended to cost \$23,500 for the balance of 51 per cent., or \$1,127,500 worth of stock, all the shares being issued as fully paid up.

"So much for the agreement. And so much for the issue of watered stock, which apparently is quite legal here, as Davie, C. J., dismissed my claim, though without costs. What your Ontario laws are I should like to know.

"At the end of 1894, grounded on a bar at Lytton, Crockett, as superintendent, wanted to make her dredge herself off, by pumping a hole out under her, but Alworth, as president, refused to allow him. Crockett then resigned his position as general manager, but the company held him to his agreement to put the plant in operation. Alworth kept four men and a cook on the plant from that time till the present, doing practically nothing, and has not attempted to put the plant to work. Now Alworth wants to make the 49 per cent. parties pay all these expenses, as well as law costs. In April, 1895, Crockett and myself went to Lytton to put the plant to work, but Alworth, authorized by his co-directors, Wood and Heemick, took out an injunction to restrain us from going on the plant at all. He has neither put the plant to work himself, nor allowed the 49 per cent. parties to do it. Hence the litigation in which the company has been involved. The litigation first commenced in April, 1895, with Alworth's injunction against Crockett and myself. In May, I, an ordinary shareholder, went to Alworth, as president, to see if some amicable settlement could not be arrived at, but Heemick, as secretary and di-

rector, stopped Alworth talking to me, and so my efforts were futile. I then wrote the directors, saying 'that we shareholders wanted the plant put to work; that if we were going to be fleeced, it would be the large ones, and not us small ones only, who would suffer,' but my letter was filed and that was all, and the litigation has been going on till now. I omitted to state before, as an additional proof of Alworth's grab, that when on the 30th July, Alworth and Wood voted themselves 85,000 shares for little or nothing (which apparently is the law of this land), there was a private arrangement (sworn to by Crockett) by which he was obliged to agree to give Alworth and Wood 14,166 shares each out of his 42,500 shares. Wood claimed he got his for introducing Crockett to Alworth, and Davie, C. J., holds it was a good and valid consideration for the transfer. The law here says, all companies must keep a register book open for the inspection of all creditors and stockholders for a certain time every day. This, of course, is for the protection of creditors, as fully paid, rather than a benefit, it is a delusion and a snare, as he may sue John Smith, and be non-suited at once and lose his costs; but our British Columbia law makes no provision for any such distinction between unpaid and fully paid shares, or for any information accessible to a creditor on that point.

"I was once a jurymen on a mining case when the prospectus of a mine was produced in court; one of the statements it contained was proved to be a lie, but the maker of it was not held up to execration as Gallagher was in the case I am writing about. I do not wish to see small fish held up to execration, while the shark is regarded as a model of honesty."

ITEMS FROM THE FAR NORTH-WEST.

Edmonton Bulletin, 2nd Dec.

Lynx, fisher and mink are reported more plentiful than usual this season.

R. L. Hughson, of Vermilion, is in town making arrangements to erect a storage-room in connection with his cheese factory there, and to open a general store.

R. Secord has just received from Montreal a fur coat, which is both rare, serviceable and handsome. It is made of the skins of musk ox calves. The fur somewhat resembles beaver in color, and is very fine and soft. Mr. Secord received the skins from his northern trading posts, and had them dressed and made up into a coat and cap in Montreal.

Jas. Walsh returned on Thursday's train from a fur-buying trip to Morley. Mr. Walsh will celebrate his 79th birthday on the twelfth of December next. He is still in active business life, being the trusted agent in Northern Alberta for Joseph Ullman & Sons, the great fur dealers of St. Paul, New York, London and Liepzig, an important post. Mr. Walsh has lived a most active life, having mined for years in California and British Columbia.

Fur buyers complain that a great deal of poor fur has been caught this fall, and is now being offered for sale. Several lots that have already been purchased here would have brought from two to three times as much had they been prime. This is a loss to the trapper, the trader, the buyer and the country generally. Owing to the drop in prices at the last London sales, buyers are offering from twenty to twenty-five per cent. lower prices than last season at this time, and are not so keen to buy until there is some prospect of what prices will be at the next sales which take place in January. Fur is reported plentiful, especially coyotes. Rabbits are undoubtedly scarcer than last winter. This may not seriously affect the catch of fur this winter, but certainly will affect next winter's catch.

—We are pleased to observe that a pork-packing industry is being established in Northern Alberta. This is as it should be. It will be found more profitable to turn coarse grain into beef, pork, poultry, butter, etc., than to ship them. Owing to the great distance which that district is from any large consuming market, the settlers are doing well to consider these matters. By condensing their products in this way, they will be enabled to make a great saving in freight. Northern Alberta is more favorably situated than Manitoba to supply the British Columbia markets with these products. Butter, cheese and bacon form a strong combination, and they go well together.—*Win. Commercial.*