

\$6,000,000 reminds us of Jack Tar's five-water grog. The dilution was in Jack's favor, but not in that of the purchasers of stock. What had happened, we will not say to justify, but to serve as a pretext for this enormous inflation? The company puts down the "cost of road and equipment, including real estate and buildings, at \$8,774,070.39." How much of this was paid for the "rights" in question? It is obvious that, to reach this figure, the shares were put at a few cents in the dollar, possibly somewhere from 20 to 30 cents. If the property was overvalued, as it plainly was, in terms, it comes to the same thing. The water is there, whether it come in by one channel or another. When the company acquired the rights in payment or on account of which it might issue paid-up shares, did it increase the stock to \$6,000,000? It is important to know the date. When did this transaction take place? Was it not almost immediately after the company got the act of incorporation, in which the capital is stated at \$1,000,000? Was it secretly intended that the one act should follow close upon the heels of the other? If so, the legislature has a right to complain that deception was practised upon it.

When the normal amount of the shares was increased to \$6,000,000, what steps were taken to make the fact known to the public? Were possible purchasers duly advised of the fact, so that they might not be of the impression that they were getting a given part of one million, instead of only a part of six millions? Last year's report has been furtively made known to brokers to whom it was sent; but brokers are sellers of the stock; the public was looked to to buy. Had the public this means of information within reach? The facts emphasise the necessity of effective publicity in such cases.

Happily, in this country, there is no precedent for this flagrant abuse in the form of stock-watering. In the neighboring Republic the evil has reached such enormous dimensions as to threaten the safety of the whole fabric of commercial corporations. We do not desire any such unwholesome proceedings introduced here, whether it be done by adroit American operators or by our own people. If the danger be permitted to make its insidious way in this country unchecked, results the most calamitous may follow; but if the evil be met with firmness and courage, at the outset, it may be stamped out, once for all.

GOLD MINNIG IN CANADA.

There has been of late a marked disposition on the part of investors, both in London and Paris, to put money into gold mines. The shares of gold mining companies in West Australia and in South Africa have had extraordinary vogue in both the English and French markets thus far this year. And the business of gold mining has on the whole received a decided impulse. It is by no means unlikely that Canadian gold fields will benefit from the general attraction of capital towards this industry. We know that British Columbia gold properties have deservedly drawn attention of late, and that some of them are very promising. And the *Canadian Mining Review* is informed, on good authority, that British capital is now investigating Nova Scotia's resources in the line of low grade gold ores. Quebec, however, is receiving no attention in this direction just at present. As the *Review* points out, "Much fruitless (because ignorant and incompetent and misdirected) work was done in the valley of the Chaudiere and tributaries some twenty to thirty years ago; yet hardly fruitless either, as the report of Mr. Obalski, Government Inspector of Mines, shows that over \$2,000,000 has been obtained from a very small area in the district mentioned." What is needed, it is urged, for the development of Quebec's gold industry, is

the examination of her gold fields, from an economic point of view, by a thoroughly practical as well as scientific mining engineer.

There remain to be mentioned the gold fields of Ontario, and while our contemporary admits that this province is not so much in need of good advice in this industry as Quebec, it pronounces our gold fields young, as regards Rainy River and Lake of the Woods, and refractory with respect to Marmora and Madoc.

Writing in April, 1894, Mr. Archibald Blue, director of the Bureau of Mines for Ontario, stated that the prospect of gold mining in the province had greatly improved and that there was promise of increased activity. The report itself declares, page 11, that men among us believe that modern equipment and new modes of treating may result in profit on properties not hitherto successful. The Rainy Lake discoveries of 1893 are mentioned, and around Lake Wahnapiatae ores of much promise will (page 13), if the samples indicate the general character of the ore, "merit and reward the attention of the gold seekers."

But not to go so far afield as either of these places, a dozen pages of the report are devoted to the gold mines of the Madoc and Marmora region, back of Belleville. From these pages we have elsewhere condensed a description of two or three properties in this region, showing the quantity of gold taken out. Respecting the quartz veins that characterize part of Marmora and Belmont townships different reports, says Mr. Blue, concur in the opinion that the veins are true lodes, that the cost of mining and milling the ore should not exceed \$4 per ton, and that an average yield of \$10 per ton should realize a good profit.

Now if, as stated in their 1894 reports, a gold mine in Mexico, the "Alaska," could pay a dividend out of ore yielding \$8.21 per ton; if the Harqua Hala mine in Arizona paid ten per cent. out of ore worth \$6.84 per ton; if the Treadwell mine in Alaska [which up to November, 1893, had produced \$3,838,000 in gold] declares annual dividends of nine per cent., while its average yield in gold is only \$8 per ton and 2 per cent. sulphurets, surely these central Ontario properties, with a larger yield, so much more convenient to work, and with cheaper labor and cheaper transportation than those remote mines, ought by the use of modern methods of extraction to yield a handsome return.

MISREPRESENTATION IN LIFE ASSURANCE.

A case of no little importance has just been decided at the Hamilton assizes by Judge Ferguson and a jury. It is that of David Blackley, official assignee, etc., Hamilton, against the Great West Life Assurance Company for \$10,000 assurance upon the life of the late John Alexander Taylor, of Toronto, the company having cancelled the policy by reason of misrepresentation of habits of deceased in the application. The verdict, after a four days trial, is entirely in favor of the company, whose course appears to have been fully justified.

In August, 1892, Taylor made application for a policy of assurance in the defendant company for ten thousand dollars, with loss payable to Blackley (who it appears was a brother-in-law) as a creditor. This application stated, in reply to a question as to drinking habits, that Taylor had been "for several years a total abstainer and never drank to excess." This was proved to have been untrue. In the family record, as disclosed in the application, it was stated that the applicant had "one brother living in good health, two sisters died under two years of age of infantile diseases."

About six months after the issue of the policy the