

it would be dangerous to the consumers to permit the Crow's Nest Coal company to occupy a position in which it might violate the regulations imposed upon and accepted by it, with impunity.

B. C. MINES AND THE LONDON PRESS.

THE revelations as to the relations existing between a certain class of newspaper in Great Britain and a certain class of company promoter, which have followed the public examination of Mr. Whitaker Wright, are precisely similar to those which followed upon the collapse of Mr. Ernest Terah Hooley. Strange as it may seem, the warnings of experience seem quite inadequate to prevent the absorption of the investor's capital in the maelstrom of London finance, instead of in the productive enterprises for which it is ostensibly subscribed. The means by which an inflated value is given to shares, and by which shares of no value at all are foisted upon the public, are simple in method, and surprisingly effective in result. In order that a market may be made in any group of shares, it is necessary that they should be continually in the mouths of all who affect an interest in such investments, and that fluctuations in their price, should afford an apparently dazzling opportunity for the small investor to make money by an appreciation in their market value. This individual is taught to avoid any contemplation of assets or dividends, and to fix his eyes only upon the making-up price at the end of every account. By that account he measures himself as richer or poorer at the close of every fortnight or so. This price is carefully maintained by companies, or syndicates, or individuals interested in the unloading of the shares upon the unfortunate person who becomes their ultimate owner. It is quite easy, and highly profitable to buy shares ninety-nine times, if they can be sold for the hundredth time at an advanced price. The element of risk, except the risk of going to prison, is entirely eliminated, if the method of Mr. Wright be adopted, that, namely, of using other people's money to carry on such operations.

These market operations, however, would, by themselves, not accomplish the end in view. It is necessary that the public, as well as the manipulators, should be induced to deal in the shares. And this is effected through the co-operation of the financial press which is advisory as well as informative in its character. The promoter who understands his business finds a willing ally in the press, at all events a considerable section of it. The press is subsidised by means of calls in the shares desired to be unloaded. If, through the agency of press puffing, the shares are rigged to a high price, the newspapers met the difference between the price at which their calls are issued, and the price at which they transfer their holdings to the public. Payment is thus made by results, and efficient service on the part of the newspapers secured. Mr. Whitaker Wright, in his public examination, had the audacity to defend this system, or at least to excuse it, as inevit-

able and necessary in connection with company promoting in London. He said that any profit made by the newspapers did not injure the companies as it came not out of their coffers but out of the market. This admission was startling in the utter lack of moral perception which it disclosed. It frankly recognised the promoters and the newspapers as conspiring to swindle the public through the agency of shares in public companies, which the public was induced to buy at a higher price than they were worth. The whole system would seem to point to a systematic corruption which the singling out of one promoter here and there for punishment does nothing to eradicate, and but little to abate. The money which is found to set the ball rolling is found by shrewd men who expect to be participators in the profits of market manipulation. The buying and selling ramifies and spreads through the community, each astute purchaser expecting the shares to be forced to a still higher price, knowing nothing and caring less about the merits of the property they represent. It is really a game of "last man out," and the last man is inevitably the credulous and unsuspecting but *bona fide* investor. In this system the head and front of the offending is the fraudulent promoter. But it may be asked whether the abuse is remedied by his punishment and exposure, whether he is not the natural and inevitable outcome of a financial corruption which substitutes gambling for enterprise and the desire to fleece your neighbour for the aspiration to earn legitimate profits for yourself.

As it affects the interests of the investor this system of company promotion is of no particular interest to the people of British Columbia. They have not any large accumulations of capital to invest, and, for what they have, they avoid London companies like a pestilence or a reptile. As for the English investor, we would only be too glad to protect him if he displayed any willingness to be protected. Occasionally he shows a faint desire to learn something about the mines in which his money is at stake. When he does, he is as likely as not to address inquiries to a British Columbia journal about the position and prospects of Stratton's Independence mine at Cripple Creek in Colorado. But the interests of British Columbia, nevertheless, are very seriously affected by the methods of company promotion adopted in Great Britain. It is hardly too much to say that they are at least four times as costly as those in vogue by the people of other countries, and that the mines so handled have to be four times as rich to give satisfaction as would be ample to recompense Canadian or American investors. When our mines fail to come up to this exaggerated demand upon them the tendency is to give the country a bad name, to quarrel with its resources, legislation or industrial conditions. This tendency it is needless to say, is carefully fostered by promoters, lest inconvenient attention may be drawn to their own mismanagement and rapacity. Of course what we have been saying is not true of all London promoters and companies, but it is true that it is almost