

shares and £40,000 in cash. It started in business about eighteen months ago with a subscribed capital of £130,007 out of an authorised capital of £150,000. From the point of view of independent shareholders the mine has been, and still is, a most unsatisfactory investment. It is difficult to see how it could have been otherwise. No working capital whatever was provided and it was early discovered that working capital was necessary, as the ore was not susceptible to hand sorting as had been predicted in the engineer's reports. Now, however, there appears to be good reason for expecting that the mine will be placed on a permanently self-sustaining basis, that is, provided that the mill justifies anticipations of its ability to handle the ore without ruinous loss of value. The general consensus of opinion moreover, not merely as officially inspired, but also among the people interested in mining in the Province, is that the mine never looked better than it does at present. That being so, the shareholders may reasonably look for returns, but the wise investor will, for some time yet at least, look upon these returns rather as a redemption of the capital he has in the mine than as an inducement to buy shares in it at an advanced price.

An interesting discussion has been raised by the recent issue of 80,000 £1 shares by the Tyee Copper company in London, at what practically amounted to a 40 per cent. discount, the immediate payment of a commission of eight shillings per share having been offered as an inducement to subscribers. As the English company law forbids the issuance of shares at discount, the seeming evasion in this instance has again given the press the opportunity of pointing out the ease by which a man may drive a coach and four through any Act of parliament. It appears the issue has been made in accordance with a section of the Companies' Act, 1900, relating to the disclosures of underwriting commissions in the prospectus of a company. The section says:

"Upon any offer of shares to the public for subscription, it shall be lawful for a company to pay a commission to any person, in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in the company, or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares of the company if the payment of the commission and the amount or rate per cent. of the commission paid, or agreed to be paid, are respectively authorised by the articles of association and disclosed in the prospectus and the commission paid or agreed to be paid does not exceed the amount or rate so authorised."

This section, as our New York contemporary, the *Engineering and Mining Journal*, rightly remarks, "was really intended to apply to underwriting agreements and to the payment of commission to financial agents for placing shares. It covers even the limiting case of paying a commission of 19s. 11d. to subscribers of £1 shares, an operation which is equivalent to the issue of £1 shares at one penny. The articles are originally fixed by the promoters and are subsequently under the control of three-quarters majority of the shareholders, so that if the promoters and shareholders generally agree to the policy of issuing shares at a discount in this way there appears to be nothing to prevent them doing so."

A Revelstoke contemporary endeavours to excuse and explain Mr. Dunsmuir's behavior in connection with the foreclosing of the mortgage on the Noble Five mine, at Cody, on the following grounds:

"Some time ago Mr. Dunsmuir refused to advance any more money, but offered, and did surrender 90,000 shares of his stock to the company. These shares were sold for a nominal figure, and the proceeds spent in developing the Noble Five property from the No. 3 tunnel of the Last Chance. The work done there proved encouraging and it was represented to him that, if he would advance money to carry on the work, he would be paid from the proceeds of the ore sold."

"On this understanding he advanced \$2,500 in September, which Mr. Macdonald, the manager, said he hoped to be able to repay by the end of the month. During the interval the Last Chance people made a claim that the ground the Noble Five was working belonged to them, and would not allow the ore to be shipped, and instead of the \$2,500 being repaid to Mr. Dunsmuir he had to advance, on October 7th, \$4,000 more, and to continue to carry on development work would take considerable more money, which he did not feel disposed to advance. There is also the dispute with the Last Chance people which will, no doubt, mean a law suit before it is settled."

While this statement of the case may be veracious, it is not quite the version generally accepted; and in any event does not justify Mr. Dunsmuir's conduct in failing to keep faith with the investing public. That is, always providing, as we have previously stated, that Mr. Dunsmuir accepts the responsibility for the pledge given to shareholders in his name by his confidential agent, Mr. B. J. Perry, at the general meeting in March last. There can be no such thing as extenuating circumstances in a case of this kind. If a man once passes his word to pursue a certain course of action surely he has no other alternative to continue in that determination at whatever cost or inconvenience to himself.

Complaints are perennial against the injury done to the development of the Yukon country by excessive litigation. Thus we have Sir Thomas Tancred quoted by the *Yukon Sun* as follows:—"The procuring of water to work some big hydraulic concessions is merely a matter of money. There are no insurmountable engineering obstacles. But capital will not come here, rich as the country is, when conditions are not settled. People must know that they are not to be molested by continued legal proceedings over small matters before they can proceed. They want to know whether they are standing on their heads or their heels. Money will go to West Africa, where the climate is not so healthy and the mines not half so rich, merely because it is not harassed."

That is very true but it must be remembered that the sudden discovery of enormous wealth and its expropriation, must give rise to difficulties in defining individual rights, particularly when many of these rights involve questions of the ownership of water supply, in all countries the most intricate and difficult department of jurisprudence. When we compare the conditions prevailing in the Canadian Yukon with those of the Alaskan Yukon we have every reason for self congratulation. At the same time excessive litigation is a great evil. It is not an evil which can be overcome by any means, save even-handed justice, promptness and exactitude, in the administration of the law.