

CAPITAL FOR MINING

Is Wanted from Strong Interests—Must Establish a Sound Industry—Hints for the Mining Investor.

By R. W. Brock.

[Mr. W. R. Brock, of the Department of Mines, recently addressed the Canadian Mining Institute on an important subject. He emphasized the necessity of distinguishing between prospecting, developing and mining and gave the individual investor some valuable advice. The Canadian Mining Institute should take a firmer stand than it has against unscrupulous mining promotions. Hitherto it has damned financial fakirs principally by refusing to endorse their statements. A more aggressive policy will help the Mining Institute, the investing public and Canada's credit.—Ed. M.T.]

The first thing to be done is to instruct the public of Canada in what might be termed the "embryology" of a mine. At present, even in law, where fine, not to say hair-splitting distinctions are supposed to be drawn, any claim is a mine; any claim holder, a mine owner; any prospecting, mining. This looseness of conception, and of the use of terms, does not assist the layman in sorting out investments in the industry. If the people are trained to draw sharp distinctions between prospecting, developing and mining, much will have been accomplished toward rendering "wild-catting" an unprofitable profession.

Thousands of Claims and Twenty Mines.

For they will soon learn that out of many thousand claims in a district only a limited number become prospects, and that of these prospects only a score or so at most, will develop into mines. They will then be in a position to recognize as a "wild-cat," a claim or a prospect that is being offered or stocked as a mine. That is my conception of a wild-cat, a property that is represented as being something which it is not. It may perhaps develop into a mine—there is one chance in several hundred or thousand—but until it has been so developed it is a wild-cat proposition, a reckless speculation to assume or report it to be such.

Some fear that to take the public into our confidence and to point out candidly the uncertainties of the business of developing mineral resources, would have a tendency to stop the inflow of capital. I do not agree with this. I believe that nothing but good could result from it, and that the chief benefit would accrue to the mining industry itself. It might prevent people who cannot afford to lose their small savings from seeking such an investment, but no one that has the good of the industry at heart wants such money, which should not be put into any kind of industrial stock.

If the public recognized the relative probabilities real mining would be distinguished from developing or prospecting—which would leave mining in the same class with other industries and mining stock would be regarded as safe as any other industrials. Mining investments would be increased rather than curtailed under such conditions.

Large Profits are Mining Exception.

How would development companies or the useful legitimate promoter suffer from lack of capital offered, for after all development offers the greatest attractions in the whole range of industry? Large profits are the exception in mining. Usually the price paid for a mine or for mining stock represents the full value of the property with only a fair allowance of profit in addition to the return of the capital invested. The security in the tonnage exposed and in the definite information as to costs and net value per ton make it unnecessary to dispose of the mine as a sacrifice.

But the chief fortunes are made in development. It is true that chances are taken. But the average man does not object to this so long as he knows that he is taking a chance. The instinct to gamble is innate in humanity. It is only when one has supposed he was making an investment, when he has expected immediate shipments and quick profits, that he is disgusted to find that large outlays are still to be made, that such time has still to be spent in development and finally that there is no absolute assurance of success.

Of Prospects and Mines.

It is true that if he knows he is being asked to put money in a prospect, if he knows that of a dozen well selected prospects only one will develop into a mine, he will object to paying the price of a mine for such a prospect, he will want to see money go into the treasury to carry out the necessary development, he may want to see the company provided with sufficient capital to take up and test a number of prospects, and if he is wise, he will insist that there is good management and the best technical advice, to reduce the element of chance to a minimum, but the large profits to be made if one prospect develops into a mine will be a sufficient inducement

to attract his money, and the close scrutiny of the project can only result in good to the best interests of the industry.

Parasite of the Industry.

Well organized, well directed development companies, offer the most promising and attractive field for capital to be found in the entire mineral industry in this country. There is no need to resort to false pretences, and no permanent advantage gained by it.

The only person who will suffer by a frank and open dealing with the public is the unscrupulous promoter, and we do not need to worry about him—he is only a parasite endangering the health of the industry and he is capable of looking after himself. If we can get the industry down to such a basis, what is lost through the alienation of widow or servant girl as investors will be more than offset by the improved standing of the industry among the capitalists of this and foreign countries. If only 25 per cent. of the money now going into so-called mining stock were available under the conditions suggested, it is probable that the actual development and expansion of the industry would exceed the progress under present conditions for it is what goes into work, and not what goes into pockets, that counts.

What the Mining Engineers Want.

Mining engineers are not looking for easy money. Their real concern is the establishment of a sound, clean, fundamental industry, in which they may have a paternal pride; their real reward is the knowledge that through their efforts nature is adding to the comfort and prosperity of their fellow citizens, and to the power and vitality of their country.

To educate the public in the nature of the industry, to save the people from wasting the funds needed for genuine development of the mineral resources, if not a duty, is at any rate in keeping with the ideals of the profession and mining engineers, both individually and collectively through their Institute, should actively engage in an undertaking through which they can benefit themselves, stimulate the industry, and perform a much-needed public service.

GROCERS NOT GUILTY

Of Conspiracy to Combine—Chief Justice Falconbridge Delivers Lengthy Judgment—Trial Started in Three Years Ago.

1—The defendants have not, nor has any of them, intended to violate the law.

2—Nor have they, nor has any of them, intended maliciously to injure any persons, firms or corporations, nor to compass any restraint of trade unconnected with their own business relations.

3—They have been actuated by a bona fide desire to protect their own interests and that of the wholesale grocery trade in general.

As far as intention and good faith, or the want of it are elements in the offence with which they are charged, the evidence is entirely in their favor.

I therefore say that the defendants are not, nor is any of them, guilty as charged.

That is the judgment of Chief Justice Falconbridge given this week in the famous alleged grocery conspiracy. The action was commenced at the Toronto autumn assizes in 1907. The indictment charged that those who were in the combine conspired:

(1) To unduly limit the facilities in producing, manufacturing, supplying, and dealing in sugar, tobacco, starch, canned goods, salt and cereals, and other articles and commodities which are the subject of trade and commerce.

(2) And to restrain and injure trade and commerce in relation to such articles and commodities.

(3) And to unduly prevent, limit and lessen the manufacture and production of such articles and commodities.

(4) And to unreasonably enhance the price of such articles and commodities.

(5) And to unduly prevent and lessen competition in the production, manufacture, purchase, barter, sale and supply of such articles and commodities, against the form of the statute in such case made and provided.

Those Named in the Indictment

The enactment further states that Henry C. Bockett, George E. Bristol, John I. Davidson, Thomas B. Escott, W. G. Craig, Joseph F. Eby, and Thomas Kinnear, the Dominion Wholesale Grocers Guild did in and during the years 1898, 1899, 1900, 1901, 1902, 1903, 1904, and 1905, at the City of Hamilton, in the County of Wentworth, and elsewhere in the said Province, unlawfully conspire, combine and agree and arrange one with the other and others of them and with the Canada Sugar Refining Company, the St. Lawrence Sugar Refining Company, the Acadia Sugar Refining