

est in all ways possible. Rooms will be rented and furnished with magazines, books, maps, writing material and specimen cabinet.

After the business of the meeting is completed short addresses will be given by visiting members, and three or four short papers, dealing with sampling and other subjects of interest in this the initial stage of the development of the gold camp, will be read.

The meeting will close with a short musical program and refreshments.

On the day following, the guests and other members who desire, will be shown over the camp. Unique opportunities will be afforded of seeing the various showings of gold, and an opportunity seldom afforded of comparing the various finds in Porcupine.

We have been fortunate enough to secure the presence of a number of prominent members of the Institute, including Dr. Frank Adams, the president.

We trust that you will find it convenient to be present. Members advising this committee before the 1st of December will be afforded accommodation at the various mines.

Committee:—

C. E. WATSON.

H. C. MEEK.

C. G. CAMPBELL.

Address the Secretary, Box 514, South Porcupine, Ontario.

Stock Value and Mine Value

By DR. A. C. LANE.*

(Continued from last issue).

Class B.—Explorations or failures. Average fluctuation factor 4, rarely under 2.5.—On the other hand, if we take the remaining mines which sold below \$10 in 1901, we find that their fluctuation factor is rarely less than 2.5 and averages nearly 4, and that of the seventeen, seven were worth nothing if we compute their value in 1901 from the dividends and assessments since and their selling price at the end of 1910. Of the remainder, in only two was their value (similarly figured) more than the lowest price of the year.

Comparison of prices with worth.—Now what does this difference in range of fluctuation mean? And is this factor 2.5 anything but arbitrary? In order to determine this I have computed as best I might the actual worth of the mines at the date 1901, by discounting at 7 per cent. coming dividends, and their low selling price in December, 1910. This latter was pretty nearly the ratio of price at which those of them that were to go into the Calumet and Hecla merger were to be taken in. I then debited the assessments that have been called in the meantime, and when the amount of the assessments was greater than the positive amount derived above, I have simply written the word "minus" and assumed that the holder refused to pay indefinite assessments. I have given this for the year 1901 rather than 1899, but the deductions I shall draw will be equally applicable to 1899, and the worth will not materially vary except that all the cheaper Class B mines would have been worth at least 14 per cent. less on account of interest, and in some cases about \$24 less on account of assessments that were called in 1899 and 1901. But as some of the mines were organized in 1899 it seemed better to compare with a year when they were fairly organized, like 1901.

The lowest prices for 1899 were very much the same as the worths, and this is true for 1901 for the Class A mines. These were seasons of great prosperity and inflated prices. On the other hand, in 1903 and 1904 the worths are still within the range of the prices of the year; rather nearer the top in 1903, but just about half way down in 1904. In other words, the stocks

of the first class (A) vary about a 7 per cent. valuation—in boom times yielding a 7 per cent. average only if one buys at the very best prices of the year, and at the higher prices of the year yielding barely 4 per cent. It will be remembered that Lawson, in the days of "Frenzied Finance," used to say that copper stocks were coming to a 4 per cent. basis. On the other hand, in relatively dull times, as in 1903 and 1904, which were after all but "semi-panic years," one could easily obtain the stock on a 7 per cent. basis. If the very best prices of the year could be obtained the yield would be nearer 10 per cent., and at the higher prices of the year the yield would be considerably below 7 per cent.

Meaning of 2.5 fluctuation factor, range from 10 per cent. to 4 per cent. yield. Limitations of activity.—We can now see a possible meaning for value 2.5 as a limit to the fluctuation factor of this Class A. It may mean this, that in Class A the yield is approximately ascertainable in dividends, and when they are forced to such a value that there is only a 4 per cent. yield on them, or anything like it, there are very few who buy an uncertainty yielding no more than a certainty; and that, on the other hand, when they drop to a point where they yield 10 per cent., a lot of people who have private opportunities to invest at 10 per cent. in non-marketable securities, find it now worth while to invest in these stocks which have the added advantage of marketability and yield.

It may then be that this fluctuation factor, 2.5, represents the ratio between the 10 per cent. yield which will draw in the man who has the best opportunity for investment, and the 4 per cent. yield, which even savings banks will give.

Reason for greater speculative value in Class B.—The mines grouped under Class B, selling sometime in the year for less than \$10, are usually the explorations and failures. Most of the Michigan mines shares, while the par value is \$25, are put on the market marked initially \$8 to \$10 paid in, representing the land and the cash needed for development up to the point where it is seen whether a mill and heavy equip-

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