

# Mines and Mining.

Exception has been taken in some quarters to the remarks on Mining in our last week's Review issue. The information given was received by us from one of the most prominent mining brokers and promoters in this city. Our columns are at all times open to the views of those interested in mines, we therefore, have much pleasure this week in publishing the opinion of one of the parties who took exception to our remarks last week.

That opinions on mines and mining vary greatly, is evident from the comments published from time to time in the different mining publications, and we consider it in the interests of this class of security, that the opinions of the different interests be fully ventilated.

Montreal, Jan. 12, 1899.

To the Editor of the EXCHANGE NEWS,

Dear Sir,

A careful perusal of the mining column in the EXCHANGE NEWS of Saturday, Jan. 7th, would be very amusing to a practical mining man who is familiar with British Columbia and the conditions surrounding the various leading mines. The article was evidently written by an "Amateur Miner," or probably by a so-called "Expert," judging from the remarkably lucid manner with which he handles his subject. It may be, however, that it was written by some young mining operator who is hiding his light under a bushel in this far Eastern country, instead of going West and giving such men as Marcus Daly, Patsy Clark, A. W. McCune and John F. Welch the benefit of his advice.

The first paragraph has to do with the War Eagle, and is devoted principally to the prices at which the stock sold upon the Exchange. Incidentally he says that the stock is only paying 6 p.c. dividends now and the present price is not justified by this fact. He goes on to say that in early February the new plant will be installed and the production doubted, at which time dividends of 3 or 3½ p.c. per month will be declared and the stock will no doubt go to \$3.50 or \$4.00. He also says that no mining shares should yield less than 10 or 12 p.c. in order to return the capital with a fair amount of interest. I have never heard of a mining man putting his money in development of mines or production of ores on the interest basis, as they usually like to have a good deal more.

This is all right as far as it goes, were it not for the fact that in his article upon the Montreal & London, comparing Dufferin and the War Eagle, he only gives the War Eagle credit for having a net value of ore in sight of \$600,000. At present rates the War Eagle mine is selling for \$5,512,500 based on \$3.15 for its 1,750,000 issued shares, or for \$6,300,000 for its entire 2,000,000 shares. This certainly is not a very flattering showing, as the price for a dividend-paying or producing mine is usually based upon the actual net value of the ore in sight; and it all goes to show to men who are familiar with and have had experience in mining matters that the writer knows very little about the War Eagle.

The third paragraph of the article reads as follows:

"Cariboo (McKinney) has risen steadily to \$1.50. Most of this stock is held in Toronto. Considering the limited capacity of the present mill, and the comparatively small size of the vein on this property, we would think that this figure is an outside one, and we do not look for any further advance for some time to come."

It is quite evident that the writer is not familiar with this subject when he speaks of the limited capacity of the Cariboo mill. There are at present 20 stamps running full time, which is sufficient for the steady payment of dividends to the stockholders. As to the small size of the Cariboo vein, it is a well known fact among men who are posted that it is sufficiently large to warrant the running of the mill to its full capacity, and is now being prospected for its full length of 4,100 feet with the view of increasing both development upon the property, the production of ore, and the capacity of the mill, as conditions will warrant. The writer entirely neglected to mention that the Cariboo mine since its first dividend in June, 1895, had distributed to its stockholders, up to the organization of the new company in November of last year \$239,000 in dividends and has declared for the ensuing year

dividends of one per cent. per month upon its capital stock, amounting to \$150,000 more with the intention of increasing the same or paying a bonus as the conditions of the company will justify. Taking into consideration that the first \$236,000 in dividends was paid from the product of a 10 stamp mill we think the record will compare favorably with any other free milling property in Canada. The present output of the mine fully warrants the dividends declared for the present year and the directors are also providing for a reserve fund for distribution among the stockholders or to be used in case of emergency, which is considered by men who are familiar with the business to be a very wise policy. Great stress is laid upon the fact that a Nova Scotia mine has paid \$300,000 in dividends but there are no statements as to how long it took to do it, how long the mine has been worked or what are the present conditions, outside of the fact that they are now starting a 30 stamp mill and have twice as much of net ore in sight as the War Eagle. It is very safe to say that the writer of the article in question has never been within many miles of the Cariboo mine in Camp McKinney, but in these advanced days of mining, the fact of never having seen a mine cuts very little ice with the modern expert or critic especially when his own interests are under discussion.

The paragraph touching upon the Silver-lead interests of British Columbia, and this article is replete with information, states that the Payne mine in the Slovan country is the largest silver mine in British Columbia and has immense ore reserves in sight. The article says some very flattering things about the Payne and that a block of stock is now being offered by a local broker. He also says—

"That the only question, therefore with regard to the absorbing of this stock, is whether the minority interests might not be sold out by the majority, which is controlled by two rich Americans. It is not likely, however, that they would sell the mine at a lower figure than the present price of the stock and as it pays a very large dividend, investors would be taking very little risk in making the purchase." "Preserve us from our friends we can watch our enemies."

It would seem that this portion of the article was written for the purpose of warning the public from investing in the shares of a company controlled by Mr. A. W. McCune, of Salt Lake and W. L. Hogue, of Anaconda, for one or two reasons, either because they are fortunate enough to own the principal part of the Payne mine or because they are successful American miners. As far as the effect of this article upon the Payne mine or stock in the Company is concerned, it is hardly likely that it will make any difference.

In discussing other properties of British Columbia, and the writer seems to be particularly well informed on all parts of the country, probably having visited it at least once during his mining experience, he takes up the subject of the Boundary District. He gives a very flattering report of the Iron Sides and Knob Hill, but he qualifies it by saying that these things are very good and the value put upon the properties by the price of the stock is justified. "Provided the parties interested are correct as to the value of the ore." He also goes on to say, "Bearing in mind, however, the fiasco, attending the Golden Cache affair, it might be well for those interested to have their properties examined by an independent mining engineer of high standing, in order to satisfy themselves that the engineer in charge is not mistaken in his estimate of the average value of the ore." It would seem to the casual observer that this portion of the article was written for no other purpose than to dissuade probable investors from putting their money into the two principal properties in the Boundary District, which have been intelligently developed and have sufficient showings to warrant the present price of their stock, or to question the character of the well-known Montreal men who are at the head and have control of the management of those interests, and who have put as much, if not more, money into that district, than any other individual or company operating in Eastern Canada. The writer neglects to say that, as an outcome of the success of the properties in question and their apparent value, the same gentlemen have floated a company with a capital of nearly one million dollars, for the purpose of creating a smelter for the reduction of the ores of these and other properties, which capital was over subscribed within two days after its presentation to the public.

Now come, the most inconsistent part of the article. In the next paragraph he says after mentioning the purchase of the Boss interest by Messrs Cox & Jaffray of Toronto

"The other transaction which is probably the most important that has taken place in British Columbia for some time back (he has probably overlooked the sale of the Le Roi and the Centre Star) is the sale of the B. C. Mines consisting of the B. C. and a group of 8 other properties, to a syndicate of wealthy Montreal capitalists." He goes on to say that the B. C. is a developed mine with an immense quantity of ore upon the dump and that the company are starting in with a working fund of \$100,000, but winds up his article by saying that the dear public are cruelly denied the opportunity of putting their money into the scheme.

Considering the fact that the Iron Sides, Knob Hill and the B. C. Mines are all in the same district, though not in the same camp and that the extensive development upon the Knob Hill and Iron Sides has been more instrumental than anything else in attracting the attention of the public to Boundary, it is very refreshing to read the warning given to people through the means of the Golden Cache fiasco to be careful what they are doing when they invest in the Greenwood properties.

The writer's advice is good but the effect of it is spoiled as he confines it entirely to the Iron Sides and Knob Hill. He would have been more consistent had he, in giving this advice, extended it so as to cover all the properties of British Columbia which are not dividend paying mines whether they are operated by powerful Montreal organizations or not.

The writer hereof has no desire to discuss the merits of the properties mentioned, but the article in question has the ring of having been written for the express purpose of making unfavorable comparisons, which show well known properties of undoubted merit largely held in Eastern Canada in as bad a light as possible, the reason for which the writer knoweth not.

This would be an opportune moment to publish an article which appeared in the Rossland Miner some months ago entitled "The Knocker." FRANCIS.

## THE "KNOCKER."

It seems more apparent every day the "knocker" or backbiter is abroad in the land, and unless vigorous measures are taken to immediately and effectually kill him off the result will be a serious damage to the mining industry of this section, and a grievous and constantly growing annoyance to the community. There are various grades of "knockers," and while some are more vicious than others, the influence that all of them exercise is both evil and despicable.

The most common variety of "knocker" is the individual who is everlastingly prying into the affairs of other people in which he has no legitimate concern. In this instance the mania is not born so much of malicious intent as an insatiable desire to gossip and tattle. Then again there is the species which delights in malicious stories that are circulated with a desire to detract from the good name of his neighbors. This is done as a petty, little-hearted revenge for some injury, fancied or otherwise, and if the "knocker" in this instance succeeds in putting the object of his revenges in a bad light with the rest of the community he is satisfied and turns his attention to the next object of his contemptible spleen. There is a third and more dangerous "knocker" who lives and fattens on the weakness and misfortune of his fellowmen. This monster is nothing but a blackmailer and collector of "hush money." His evil influence can only be measured by his boldness and the extent of his ability to circulate his slanders and defamations. He is prepared to "bleed" anyone. His machinations cover alike the unsophisticated prospector and the honest and enterprising operator and broker. He flies at any man with a stake in the country. His quarry is anyone who is weak and cowardly enough to be bluffed into a contribution towards his livelihood. He is lower, more degenerated and dangerous than the boomster who, if he has the opportunity, will circulate reports of false "strikes" and rich finds, and so gull the unsuspecting public into a losing investment, by which he directly benefits.

Defend yourself from the "knocker" by driving him from the country; end his nefarious occupation by exposing him; denounce him publicly and you will be true to yourself, earn the lasting regard of the community. —Rossland Miner.

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