

Atlin was described as a rich quartz mine known as the "Imperial Group." The history of the acquisition of this property by Mr. Featherstonhaugh, the manager of the Syndicate, is interesting. The mine was bonded by Mr. Featherstonhaugh in June of last year and during the summer months operations were carried on. Towards the close of August, however, the miners were discharged on the grounds that the ore was no longer showing values and that the vein had faulted or pinched out. On the 1st of September \$3,500 was due on the bond, but the money was not paid over, and Mr. Featherstonhaugh procured from the owners an extension of fifteen days in which to make the payment, at the termination of that period no payment having been made the bond lapsed and the Nimrod Syndicate consequently lost all right or title to the property. In fact Mr. Featherstonhaugh is reported to have stated openly that the mine was valueless and that he wanted nothing more to do with it. He then left Atlin for London. Shortly after his departure the Imperial mine was bonded a second time to the Atlin agent of the Klondike Bonanza Company the original owners receiving a cash consideration to bind the agreement, which was duly and officially recorded, the manager of the Klondike Bonanza at Dawson at the same time notifying his directors of the provisional purchase. Shortly afterwards he proceeded to Victoria en route for London, but on his arrival at the former place was detained in quarantine for several weeks thus delaying considerably his arrival in London. And now we come to the climax of this extraordinary affair. About this time, the end of October, Mr. Featherstonhaugh, of the Nimrod Syndicate, returned to Atlin, having spent only a few days in England, but in the interval he or his syndicate *sold a half interest in the Imperial mine to the Klondike Bonanza Company for \$10,000* and Mr. Featherstonhaugh was entrusted with the direction of operations at the mine by the Klondike Bonanza prior to the arrival of the letter from their manager informing them of the purchase of the mine by him. How the matter was ultimately arranged when the Klondike Bonanza came into full possession of the facts we are not prepared to say, but very probably the Nimrod Syndicate was obliged to refund the \$10,000. The mine was worked during the winter by Mr. Featherstonhaugh, and when the second instalment was due under the conditions of the bond taken by the Klondike Bonanza, the vendors received payment from the Atlin office, while a few days later a remittance to apply on the same account was deposited with a Victoria bank and there it still rests, no instructions having since been received from London for its disposal. On the 31st March the third payment—a considerable one—on the property should have been made, but this was not done, and the original owners have determined to exercise their right to resell the property at the earliest opportunity. If, however, the shareholders of the Nimrod Syndicate could only have divided the \$10,000 handed over for the half interest in the

property they would after all have realized something on their "valuable asset." The only parties to the transaction who can not complain are the original owners, who have been drawing comfortable dividends in the form of payments on bonds which were never consummated; but the experience of the unfortunate Klondike Bonanza is sad to contemplate, for from first to last it seems to have had the worst of the bargain. As an example of the manner in which the business of the average English company is transacted in British Columbia the foregoing leaves little to be desired. That investors should lose their money in consequence would be a matter of indifference to residents of this country, but for the injurious effect that losses of this nature have in preventing the inflow of British capital that is required for legitimate enterprises and development. Fortunately, however, thanks to the awakening interest in the United States in the industrial possibilities of Western Canadian mining, lately intensified by our rapidly increasing metal production, British Columbia is not likely to be entirely dependent on British capital for the development of her resources.

The outlook for an increased production in silver and lead this year, or even for a return as satisfactory as that made by British Columbia mines in 1900, is far from promising. While it is true the average output from the Slocan from January to the end of March does not show a material decrease, lately production has been seriously curtailed by the closing down of several of the more important mines in that division and in addition to this, the recent suspension of operations at the two important East Kootenay mines, the St. Eugene, at Moyie, and the Sullivan, the monthly production from the former of which has of late been considerably greater than the aggregate output of the Slocan district for equal periods, renders the situation so far as the immediate prosperity of this industry is concerned, ominous to a degree. The reasons given as explanatory of the prevailing inactivity in the lead mining districts are several, the principal, however, being the low market prices of the two metals, silver and lead, the higher costs of smelting and transportation, the inadequacy of local smelting facilities and the lack of a market for the product. There can be no doubt that to a certain extent the recent action of the American Smelting Trust has exercised a prejudicial effect on the lead industry in British Columbia, but so far as the St. Eugene mine is concerned this hardly accounts for the sudden suspension of operations, as arrangements had seemingly been made to market the product in Europe. The manager, Mr. Cronin, is meanwhile reported in the local Moyie paper, as having stated that the mine was closed owing to the unsatisfactory state of the lead market. As, however, the St. Eugene earned sufficient profits to pay a dividend of \$105,000 for the first three months of the present year, under such unfavorable conditions as cited, when