

# The Canadian Mining Review

CONDUCTED BY . . . . . B. T. A. BELL  
**OFFICES:**  
**UNION CHAMBERS, 14 METCALFE ST.,**  
**OTTAWA.**

Vol. IX.      OCTOBER, 1890.      No. 10

## Visit of the Iron and Steel Institute to Canada.

A party of the members of the Iron and Steel Institute of Great Britain and German Association of Iron Smelters, numbering nearly one hundred ladies and gentlemen, have accepted the invitation of the Federal and Ontario Governments to visit the Dominion. The party will enter Canada at Niagara Falls, where they will be met by Dr. Selwyn, Director of the Geological Survey of Canada, and Mr. B. T. A. Bell, Editor of THE CANADIAN MINING REVIEW, who are entrusted with the arrangements on behalf of the Dominion Government. After a visit to the Falls the party will enter a special train on the morning of the 29th and leave for Toronto via Hamilton. The following is a brief outline of the programme prepared for the reception and entertainment of the distinguished visitors:—

### OCTOBER 29TH—WEDNESDAY.

Reception at Toronto. Drive to Public Buildings. Banquet given by Board of Trade in evening. Leave Toronto *via* Grand Trunk Railway Special Train for Sudbury at 11 p.m.

### OCTOBER 30TH—THURSDAY.

Visit Mines and Works of Canadian Copper Company, H. H. Vivian & Co., and Dominion Mineral Company. Leave per Special Train for Ottawa at six p.m.

### OCTOBER 31ST—FRIDAY.

Arrive in Ottawa noon. Reception by Cabinet Ministers. Drive to Lumber Mills, Chaudiere Falls, Pulp and Match Factories, Parliament and other Public Buildings, etc. Attend "At Home" given by citizens in Russell House. Hotel Headquarters, Russell House.

### NOVEMBER 1ST.

FORENOON—Visit Geological Survey Museum and Offices. Luncheon given by the Federal Government, to be presided over by His Excellency the Governor General. Leave per Canada Atlantic R'y for Montreal at five o'clock p.m. Arrive in Montreal 8.15. Hotel headquarters, Windsor.

### NOVEMBER 2ND—SUNDAY.

### NOVEMBER 3RD—MONDAY.

Party will leave per Train in morning for Lachine where they will Shoot the Rapids and return in time for Luncheon. Drive in afternoon to Mount Royal, Public Buildings, Redpath Museum, McGill University, etc. Reception in evening.

### NOVEMBER 4TH—TUESDAY.

Programme under consideration.

It is greatly to be regretted that owing to the hurried nature of the visit and the necessarily limited time at the disposal of the visitors, but little opportunity will be afforded them of inspecting our mines and quarries. The invitation was very hastily issued, and at a date that precluded any possibility of an extended visit to

our mining centres. It is hoped, however, that sufficient will be seen of the country to impress them with the extent of its resources, its marked prosperity, and the opportunities and advantages it offers as a field for industrial development and the investment of capital. We extend to the Institute and the German Association of Iron Smelters a hearty welcome to the Dominion, and wish them one and all a pleasant and enjoyable excursion.

## Evils Inherent to a Pernicious System of Company Promoting.

During the past year our phosphate districts have been excited by rumours of a great "Trust" in England that intended to buy up vast quantities of phosphate land. A few properties were bonded by visitors from London and by influential Canadians who forthwith visited England "purely for pleasure." A preliminary prospectus was issued, having among its directors the names of the "Marquis of Exeter" and "Sir Charles Tupper, by special permission of the Government." By means of this distinguished support a great array of nobilities was displayed on the List of Founders in the final prospectus, though the name of Sir Charles Tupper had disappeared, possibly in consequence of the fiasco of the Three Rivers Meat Company. The General Phosphate Corporation, with a nominal capital of £1,000,000, offered its shares to the public, who responded so poorly that, notwithstanding the assurance from Lord Stalbridge that 20,000 shares, equal to £200,000, had been allotted, but comparatively small amount of cash was secured, and it became necessary to call upon the Founders, or underwriters, to take up the shares to the extent that they had pledged. It is understood that there has been some demur in responding to these calls, and in many quarters doubts as to the strong financial condition of the company are freely expressed.

We are pleased, however, to note that the Corporation has really purchased the Stewart Lots at the High Falls, the Ross mountain property, also on the Lieves River, and the Murphy Lots in Templeton, provisional to certain conditions agreed to by the vendors. Mr. George Stewart, the vendor of the High Falls property, has contracted to take out a stipulated annual output, and mining operations will be begun forthwith. Mr. Stewart is well known to be a shrewd and practical manager, and we sincerely wish him and the Corporation every success. Our allusion to the circumstances attending the organization of the company is not made in any unfriendly spirit, but rather for the purpose of calling attention to some inherent evils that this and similar undertakings inflict upon the phosphate and other sections of our mining industry. It may be fairly charged that the falling off of some 10,000 tons in the output of phosphate this year is due to the formation of the Corporation. A property that produced nearly 10,000

tons last year was bonded to the promoters of the Corporation, and, in confident expectation of a speedy sale, work was reduced, and the output for the year has been merely nominal. In the Perth district alone nearly 50,000 acres of land were bonded by speculators and offered to the Corporation. Assurances were given that the lands were accepted, and for six months past the visit of the inspector has been a matter of weekly expectation. Repeatedly pits were cleaned out and properties "fixed up" for the anticipated visit, and every little while the report has gone around the country that "the papers were to be signed in a few days." This kept the country in a ferment, and great will be the disappointment if after all the purchases are not made. With the exception of the work of Messrs. Wilson & Green at Black Lake, and the Anglo-Canadian Phosphate Co. at Otty Lake and Bob's Lake, there has been no legitimate mining of any moment done in the whole of this district for a year. A large fortune quickly won by a land sale was a more pleasing prospect than the smaller and slower gains of mining. One property, purchased for \$7,000 by a man of large means, was opened up and held in idleness at an asking price of \$100,000, although the owner could have more than doubled his money in a year by taking out the phosphate already exposed and reasonably assured.

This is the first evil to which we would allude,—the promotion of land speculation and the consequent discouragement of genuine mining operations by the formation of these great "syndicates."

The second evil of such corporations is the limited chance of success that they stand, owing to the heavy expenses with which they are burdened. In this case £10,000 was estimated for promotion expenses. The cost of English visitors and "distinguished experts" has to be met and an "eminent London solicitor" is sent across the ocean to examine titles, which, owing to our simple system of registration of deeds, could be accurately determined by any intelligent lawyer's clerk in the country. The fees of directors are an extra expense, and the salaries of managers and assistants are apt to be larger and more numerous than in private undertakings. The enterprise is thus handicapped from the start with a dead outlay of capital, in addition to the large amount invested in the lands; and here we may remark that the Canadian seller receives only a moderate compensation as a rule, but his asking price for the land is doubled or increased many-fold in the prospectus, the difference going into the pockets of the company promoters or in paying the heavy cost of floating the company. The outcry against high prices of land in Canada is made by men who would think nothing of offering it to the British public for three times the sum, and if any such prices are available we would like to see the money paid out principally in Canada to the men who have developed the properties.

It may as well be frankly stated that past