

incredible, and take one's breath away, but nevertheless, this is a hard, dry fact. At present there are about twenty men employed taking out about 13 tons per day, actual value being \$200 a ton net. Close to this property we have the Noble Five, another enormously rich mine, which experts say will, when further development goes on, equal and possibly surpass the Slocan Star. With such prospects as these at our back, others of a like nature being constantly developed, and as those who know tell us numerous enquiries from capitalists regarding these mines, is it to be wondered at that the people of the Kaslo-Slocan district feel light-hearted and thoroughly believe that this will indeed be a bright and prosperous New Year for the most famous mining district in the world?"

Another paper says: "For the week ending to-day, the Nelson & Fort Sheppard has forwarded 267 tons of ore, namely, 60 tons from the Noble Five group, 120 tons from the Washington, 57 tons from the Dardanelles, 20 tons from the Rico, and 10 tons from the Mountain Chief—all Slocan mines. About half the ore was billed to the Selby Lead Works at San Francisco, and goes from Spokane to Tacoma by the Northern Pacific, thence to San Francisco, by water. The other half was billed to the United Smelting Company's works at Great Falls, Montana, and goes from Spokane over the Great Northern. Reports from Kaslo are that George Hughes has put on more stock, and that fully 40 tons of ore a day will hereafter be hauled from the mines to Kaslo."

Another article is as follows:

"The ore from the Washington mine, in Slocan district, is being shipped to San Francisco, and the 112 tons brought down by the Spokane on Friday was valued at \$16,000. It is not to be wondered at then, that the prevailing reports from the Slocan are all so encouraging. "Blake" Wilson came down from Three Forks last night and says that times were never so good as now, and the indications are that 4,000 tons of ore will be shipped this winter. The banks also report the outlook for next year as promising." These quotations gave some idea of the nature of the discoveries in the country to be tapped by this railroad. The ore being taken out by Kootenay Lake during the winter was rowed down the mountains and carried in sleighs to Kaslo, a distance of from twenty to thirty miles and still paid largely when transferred to San Francisco, Tacoma and elsewhere. When it paid to do this, anyone could see how a railroad must pay, directly connecting the mines with the C. P. R.

The desirability of prompt construction and

a commencement made at once, being established—the question arose how to begin? What was the cost of the road and how was the money to be found? Fortunately, he had valuable aid at hand to solve both questions. From a gentleman who happened to be travelling in Kootenay, connected with one of the strongest financial houses in London, he became convinced of the undesirability of issuing interest guaranteed bonds. They were not looked upon as a desirable investment, and could only be sold at a heavy discount. They were injurious to a country's credit—going begging as they did—just as a promissory note with an endorser being hawked about would injure the credit of all parties to it, so was it with this class of bonds, which no one cared much to take. Interest guaranteed bonds can, in fact, only be sold at just such a rate as would give the investor margin sufficient out of the interest and discount to form a sinking fund which would make good the principal by the time the loan expires. The Victoria & Sidney Railway bonds—endorsed by the government and the city of Victoria—afford a case in point, for with a five per cent guarantee they were considered well sold at 90 or 95. If the interest had been 4 per cent., as in the case under consideration, they would probably have brought no more than 75, and perhaps not that, particularly in hard times. If the \$925,000 of Nakusp & Slocan bonds had to be sold at that price, the discount of 25 per cent. would have amounted to \$231,250, a sacrifice which could not be justified. No company could afford this waste—and the government certainly ought not—so it became apparent that some other method of financing must be adopted. To have allowed the project to remain over for a year to obtain further legislation, would have been as injurious, or more so, than to make the sacrifice in money, not only on account of the delay, but because the additional time would meantime have been given to divert the trade, and as is well known when a market is once lost it is a difficult matter to recover it. Vast quantities of ore awaiting shipment, and mines waiting a railroad to develop their wealth—the country would not have justified the government in waiting: the people were impatient for the development of this country, and the only way in which British Columbia will benefit by the trade of its development is by this road. To have ascertained by bills of quantities and engineers' measurements exactly what the road would cost, would have meant a year's delay, which the country would not have tolerated any more than they would have countenanced waiting another year's time to consult the legislature in the matter of floating bonds. He