ASK MILLION DOLLARS FOR OTISSE'S NEIGHBOR

Jake Davidson Property in Matachewan Is One of Most Spectacular in Northern Ontario--Much Ankerite and Wide Area of Intense Shearing.

The Jake Davidson property in the Matachewan gold area lies immediately west of the Otisse. It comprises five claims or 200 acres. Negotiations for its purchase have been under way on several occasions, but as yet nothing has been done. It is understood that the price asked is $1,000,000, and that the terms of payment are very drastic. They do not allow sufficient time for exploration. The Davidson is one of the most spectacular properties in northern Ontario. There are enormous quantities of ankerite and a wide area of intense shearing. There is a very large ore body somewhere on this property and when thoroly opened up it should be a big producer.

The strike of the schist on the Davidson is slightly north of east. This is also the direction of schistosity and of the ore body on the Otisse which adjoins the Davidson on the east. In fact, as a rule, mineralized zones in northern Ontario have a northeast course.

On claim M. R. 5528 of the Sutherland group free gold has been found while doing the assessment work. This claim is less than half a mile northeast of the Otisse. Three diabasic dikes cut across the claim. As they have faulted one of the ore bodies they are, no doubt, of a later date. They have, however, added to the quantity of gold for there may be many depositions of the precious metal after veins are formed. Two of the dikes on the Sutherland property have displaced a band of porphyry 60 feet wide and in this free gold has been found. This band also runs northeasterly and continues for the full length of the claim.

Belt's Known Extent

Jack Hollinger owns a property between the Otisse and M. R. 5528 and C. F. Jordan has gold east of the latter. The discoveries on these properties establish the existence of the mineralized belt from the Davidson to the Montreal River, a distance of about two miles. It has also been proved that the belt continues east of the river one and a half miles to the syenite or porphyry in the Township of Cairo.

Mr. Burrows, the assistant provincial geologist, considers this syenite an important formation since several gold bearing veins have been located in it.

Matachewan differs from all other gold fields in northern Ontario. In Porcupine there are no diabasic dikes, and the gold is found in quartz or at all events in a mixture of quartz and schist. The porphyry is also a highly altered quartz porphyry quite unlike the feldspar porphyry at Matachewan. The sedimentary rocks at the latter place are also in much greater volume than at Porcupine. They are generally low lying at Porcupine, while at Matachewan they attain elevations up to 200 feet.

Porcupine is 100 feet or so above the drainage basin of the Mattagami River. Tho it is rather flat it is not by any means a low region. It, however, lacks the rugged aspect of Matachewan and its alternation of hill and valley. Porcupine is on the Hudson Bay watershed, while Matachewan belongs to the St. Lawrence system tho it is not more than 25 miles south of the older camp. Matachewan is more picturesque than Porcupine, and the swift flowing Montreal River is in striking contrast to the sluggish streams in the latter district.

S. R. Clarke.

ADANAC OPERATIONS YIELDING RESULTS

Vein Four or Five Inches Wide With Encouraging Formation Opened Up.

Crosscutting on the Adanac is yielding results which strengthen confidence that important discoveries will soon be made, according to M. R. Cartwright, manager of the mine, who was in the city yesterday.

Referring to the vein opened up at the 310-foot level in the face of the north crosscut and running parallel thereto, Mr. Cartwright said that at first only a calcite stringer was encountered, but that since a vein four or five inches wide containing calcite, cobalt and nicolite had been opened up. In view of this it had been decided to start a crosscut east and west to pick up known veins on the surface and also to continue following the line of the vein first mentioned. Operations so far had borne out exactly the views of Geologist A. R. Whitman, he added.

Whitman's Views.

Mr. Whitman, in a recent letter, said: "The indications as I saw them in the north crosscut seem to be entirely favorable and con only encourage you to continue it. The flat shearing for 200 feet back from the face showed such strength and consistency in dipping toward the south that it can probably be regarded as distinct evidence of the correctness of our former hopes regarding the dip of the diabase contact which the crosscut is approaching.

"The flat shearing which has come in from the west dip toward the southeast instead of being contradictory evidence rather tends to confirm the contours of the keewatin contact which were drawn on the original map submitted. The vertical jointing also tends to confirm the evidence of the inclined shearing.

GERMAN GOLD HOLDINGS.

London, July 17.—A despatch from Berlin says that a statement issued by the Imperial Bank of Germany, as of July 6 gives its total holdings of gold as 2,346,419,000 marks.

GOLD DISCOVERY IN B.C.

Vancouver, July 17.—A gold discovery, 20 miles east of Burns Lake on the G. T. Railway in the southern part of the Babine range, is reported here. The report on prospects by C. J. Haggerty, California mining engineer, led A. Erskine Smith of this city immediately to take an option of $75,000 on part of the property. It is stated that ore extracted averages $63 a ton and that the ore is valuable to ship direct, freight working out around $33 a ton, leaving a profit of $30 a ton.

PRICE OF SILVER.

London, July 17.—Bar silver, 48 13-16d.
New York, July 17.—Bar silver, 99⅝c.

SHIPPED 500 BARRELS.

H. F. Slater, manager of the Rockwood Oil and Gas Company yesterday received a wire from H. V. Stubble stating that 500 more barrels of oil were shipped on Tuesday and that operations were going ahead smoothly.

LONDON MARKET FIRM.

London, July 17.—The stock market continued its favorable course today. The news from the war theatre was still the chief influence toward the firmness of both home and allied securities, while Russian securities were further strengthened by the strong financial committee that has been formed and by developments in Russia. Oils, shippings, and Marconi stocks were active and higher. Other sections of the market were quiet. Money and discounts were quiet.

STRONGER THAN FICTION.

The voters of Sioux Falls, S.D., recently ratified by a vote of 1180 to 894 an increase from five to six cents in the local street railway fare.—Financial America.

MINING NOTES

It is understood that arrangements have been made for the development of the Passimakes claims, about a mile and a half east of the Hill claims, near Painkiller Lake. A plant is to be installed.

Milling rock is being hoisted from the Savage mine and treated in the McKinley-Darragh-Savage mill. It is not stated how much milling rock is available, but there is understood to be a considerable tonnage.

There has been considerable staking in Agotawekami Lake district, south of Abitibi Lake, in Quebec Province. Samples have reached Cobalt, and assays are said to be satisfactory. Several Cobalt companies have sent men into the field and staked claims. It is stated that the formation is good.

The operations on Thompson-Krist have been very satisfactory. About twenty-dollar ore, across about forty inches, has been met since crossing the line into Thompson-Krist. The company has sufficient money to operate for some time, if it can get a contract from the Vipond. It is estimated that since the annual meeting about eight thousand dollars has been spent, which would leave about twenty thousand dollars in the treasury.

According to reports, the United States Government has ceased buying silver for the time being. Large quantities were purchased during the past few months. The Philadelphia Mint is reported to be melting 1,200,000 silver dollars daily. Silver certificates outstanding on June 20 were $392,668,956, compared with $439,960,611 on May 1.

The shaft on the Castle property at Gowganda is now down about a hundred and fifty feet. At about a hundred feet the shaft left keewatin and is now in diabase. It is proposed to continue the shaft until the lower contact is reached, before starting lateral work. It is anticipated that the objective will be attained at from 300 to 350 feet. The geological conditions, on which the Trethewey management is basing its hopes of encountering ore, have been found as anticipated.

The Northern Miner says: Cobalt mining men have looked over many kinds of mining propositions that the war has given a prospective value to because of the shortage of certain minerals that have been imported by North America. As a general rule, those deposits are in such shape that it would take too much time to get them in shape to produce, and, as there is a chance of the price dropping sharply, the gamble is too big.

The quotations on molybdenite in the United States, where Canadian ores and concentrates may be shipped under license, has dropped from over $2 a pound to $1.25. It is understood that Canadian producers are still operating under contracts, and they receive higher than present market prices. The market has been flooded by concentrates from new producers in the United States, especially Colorado.

MINES ON CURB.

Closing prices yesterday in the Cobalt and Porcupine stocks on the New York Curb, as supplied by Hamilton B Wills, in the Royal Bank Building, were as follows:

	Bid.	Asked.
Beaver	23	24
Buffalo	85	1.00
Crown Reserve	20	22
Dome Lake	13	14½
Dome Extension	9	10
Hollinger	4.60	4.70
Kerr Lake	5.60	5.87
La Rose	37	40
McKinley-Darragh	39	41
McIntyre	1.30	1.33
Nipissing	8.75	9.00
Peterson Lake	8	10
Timiskaming	29	31
Vipond	12	14
West Dome Cons.	7	9

NEW YORK CURB.

Hamilton B. Wills received the following wire at the close of the New York curb market yesterday: The market on the whole was strong and active today, altho there were two or three stocks which were inclined to be reactionary. Burns Bros. Ice was the feature of the industrial list, advancing $1.50 a share above yesterday's best prices. Wright-Martin and Aetna were strong, the former selling above Tuesday's high. United Motors reacted somewhat under profit taking by quick turn traders. Houston sold off about $3.50 a share from yesterday's best price.

TOTAL CLEARANCES.

	Yesterday.	Lt. yr.
Wheat and flour	72,000	265,000
Corn	233,000	302,000
Oats	240,000	691,000

DOME ENLIVENS MINING MARKET

Stock Makes Sensational Rise, But Later Forfeits Part of Gain.

GOLD BONUS RUMORED

McIntyre Advances Two Points — Adanac Most Active in Cobalt List.

Dome furnished the feature on the local mining market yesterday, the stock making an abrupt rise on the Standard Exchange, followed by almost as pronounced a reaction in an attempt to adjust itself to the rapidly shifting price scale in New York. Dome opened rather heavy on the big exchange at 7.50, but made a rapid ascent to 8.75, reacting to 8.50 at the close, while locally the high point equalled that of New York, but the later setback carried the stock down to 8.00 here, with the final bid 8.10 and 8.50 asked. Sales of Dome here were light, amounting to only 300 shares, as against 3,000 in New York.

Dome's flurry appears to have been an offshoot of the movement in Alaska Gold and kindred stocks on the New York curb. There is much gossip in circulation to the effect that the U.S. Government will shortly announce a bonus on gold production, and it is believed that, in this event, the Dominion Government will take concerted action. Much attention is being given by publications in Britain as well as in the United States and Canada, to the serious economic aspect presented by the declining production of gold, and confidence is growing that the allied powers will take steps to remedy the situation, hence the revival of interest in gold stocks.

The Porcupine list as a whole was strong yesterday. McIntyre moved up two points to 130, Vipond was in brisk demand at from 12½ to 13, and Thompson-Krist sold ½ higher at 6½. Lake Shore repeated Tuesday's firm quotation of 65, and Dome Extension again sold at 9.

Adanac was most active of the Cobalts, selling unchanged at 8. As the cross-cutting progresses on the property, indications continue to bear out the forecast of A. R. Whitman, and operations have reached an extremely interesting stage. Timiskaming sold between 30½ and 30, closing unchanged. It is "street" talk that the lower levels of the mine are showing good possibilities, and that a good deal of the stock which has changed hands in the past few days has gone into inside hands. Beaver strengthened ¼ to 24, and Chambers-Ferland 1½ to 13. Mining Corporation rallied from 2.75 to 2.80.

NIPISSING'S OUTPUT

During the month of June the Nipissing Mines Company produced $340,657, thereby establishing the highest record in its history, with the exceptions of December, 1917, when $340,793 was produced, and September of the same year, when $349,358 was produced.

The total production from the Nipissing, as shown in the official monthly statements, during the first half of the current year amounts to $1,919,234. This compares with $1,491,577 during the first six months of last year. The following is a summary:

Month.	1918.	1917.
January	$307,019	$172,983
February	295,546	271,527
March	308,048	256,953
April	329,617	259,082
May	338,347	261,563
June	340,657	269,469
Totals	$1,919,234	$1,491,577

It will be noted that during the half year the value of the output showed an increase of $427,657. This large increase amounts to an average of $71,276 monthly, or approximately $2,350 every 24 hours, above the record during the first half of 1917.

COBALT DIVIDENDS ARE ON A SMALLER SCALE

Decrease About 24 Per Cent. for First Six Months of Year.

Dividends authorized by the silver mines of the Cobalt camp for distribution during the first six months of 1918 amounted to $2,368,527, as compared with $3,115,379 in the corresponding period of 1917, thus showing a decrease of $746,853 or approximately 24 per cent. The reason for this striking decline is evident when it is considered that only eight Cobalt mining companies have authorized dividend payments so far this year, as compared with no less than 13 in the first six months of last year. Analysis of the dividend record for the two periods shows that Aladdin-Cobalt, Caribou Cobalt, Crown Reserve, Penn-Canadian, Peterson Lake and Right of Way, all of which appeared in the list a year ago, have not made any distribution of profits to their shareholders so far during the present year; meanwhile the La Rose figures are 80 per cent. below what they were a year ago. Mining Corporation disbursements show a decline of $207,506, while the Timiskaming distribution has been exactly cut in two. On the other hand, Seneca Superior, which recently paid a dividend of one-half of one per cent. per share, did not appear.

GOLD HOLDINGS OF U.S.

The total amount of gold held in the United States on July 1 was $3,076,482,515. On the same date in 1917 it was $3,090,607,703, which shows that the United States net gold export of $80,000,000 to $90,000,000 during the 12 months was nearly offset by new production of gold at home. On July 1, 1916, the United States stock of gold was $2,439,921,932; in 1915 it was $1,993,549,015. At that date in 1914, just before the war began, it was $1,914,785,996. As compared with October, 1906, the United States gold supply has exactly doubled.

RAND OUTPUT IN JUNE.

The output of gold at the mines of the Rand in June was 727,696 fine ounces, valued at £3,091,058. In May the outturn was 741,317 fine ounces, valued at £3,148,915.

PRIMARY MOVEMENT.

	Yesterday.	Lt. wk.	Lt. yr.
Wheat—			
Receipts	1,253,000	567,000	406,000
Shipments	708,000	83,000	183,000
Corn—			
Receipts	1,165,000	817,000	682,000
Shipments	329,000	349,000	429,000
Oats—			
Receipts	1,239,000	885,000	856,000
Shipments	573,000	349,000	815,000

NEEDS OF GOLD MINES GET MORE RECOGNITION

Conditions Seem Favorable for Assistance to Industry in British Empire and United States---Vital Necessity of Maintaining Gold Standard.

The British Empire produces about 63 per cent. of the world's gold, and the United States 20 per cent. The allied countries, including Russia, account for 91.3, the neutrals 8.1, and the central powers less than one per cent. The world's production in 1916 was $487,000,000. If the large issues of paper money can be preserved from depreciation it will be an immense advantage during the period of reconstruction. There seems to be no prospect of this in the central empires or in Russia, Turkey or Bulgaria. It is therefore all the more important that the credit of the allied countries be maintained after the war. A depreciated currency would mean a tremendous shrinkage in the value of war bonds and all governmental securities, and the equivalent of an actual shortage of capital. We assume that a large proportion of the money of the people has gone into securities of this class. If they are not saleable, except at a heavy discount,—in other words, if the credit of the nations is impaired—it will result in general stagnation and the very hardest of hard times. Hence the vital necessity of maintaining the gold standard and by every means in our power adding to the supply of the precious metal.

There is now about $10,000,000,000 on hand as a reserve, but the percentage in reference to paper has necessarily been decreased since the war began. When it was 35, now it is under 10 per cent, and it is certain that without aid to our gold mines the production will decrease at least 25 per cent. No doubt the big mines, those having large tonnages of high-grade ore, can continue notwithstanding the increase in costs, but many of the small mines will be forced to cease operations.

The Rand had a total production of $2,300,000,000 to the end of 1916, but the dividends paid were not 25 per cent. of the total, and even before the war one of the largest mines had difficulty in balancing income and expenditure. The British Government must see the necessity of keeping the mines going in the Rand, for in 1916 the production was $185,000,000, and it is now decreasing owing to increasing costs and a considerable shortage of labor.

The Homestake in South Dakota has produced $147,000,000 since 1875, but its dividends have been only $40,000,000, or 27 per cent. of the whole, and this is the biggest producer in the United States.

Difficulty is Apparent.

The difficulty with gold mines is well understood. The product has a fixed price, while the cost of production has greatly increased. Labor has gone up 25 per cent., while machinery and all kinds of supplies have increased from 50 to 150 per cent. The value of other metals has responded to the increased cost of production and this places the gold mines in an exceptional position and entitles them to preferential consideration at the hands of the government.

To all appearance northern Ontario is prospectively the greatest gold field in the world. In Porcupine the Hollinger outranks any known gold mine, and the recently discovered Matachewan gold area seems to be another, if not a greater, Porcupine. But for the war these regions would now be advancing by leaps and bounds, but under present conditions they are unable to maintain their pre-war rate of progress. And without material aid nearly all the smaller mines will be forced to cease operations, and the total production will continue to decrease.

Conditions here are very different from those prevailing in the United States. There a great deal of the yield of gold is as a by-product, or as a metal associated with silver or copper. The increase in cost is, therefore, not such a serious handicap as it is in Ontario, where the only metal yielded is gold. And besides, in the United States the industry has been established for many years and capital is abundant. Here gold mining is not yet fully on its feet, and if it is allowed to fall away the effect will be felt for many years after the war.

Government's Position.

Everyone recognizes that the government must have revenue to meet the outlays connected with the terrific struggle in which we are engaged. At the same time it is a question whether the special tax on gold mines has assumed the best form. It should be shifted from the mines and placed on those in receipt of dividends therefrom. In other words it should be levied as an income tax against shareholders. In addition to this a bonus should be paid on each ounce of gold produced and this bonus should be sufficient to cover the increased costs occasioned by the war. This would not be any special favor to the gold mines, it would in fact only put them on a par with other mines whose product has advanced in price as the result of increasing costs.

In addition to these alleviations an adequate supply of labor should be provided by impressing aliens or else by bringing men from other places where men can be secured until the close of the war.

Hennen Jennings, consulting engineer of the United States Bureau of Mines, has expressed the opinion that the income tax suggested would bring more revenue than the present specific tax on the mines. The latter has also the effect of deterring capital. It is to a certain extent an imposition and it seems to be aimed directly at the mines, whereas an income tax would pass unnoticed with other levies of the same character. But in placing a tax on dividends from mining investments the amortization of the capital should be considered and the proportionate impost should be less than in the case of dividends from stocks and bonds in respect of which there is no necessary impairment of capital.

Conditions now seem favorable for assistance to the gold mines in the British Empire and the United States. The mine owners of northern Ontario should get together, formulate their minimum requirements and then present them to the government. Aid is important and time is precious. Mines are already closing down and if conditions are not bettered in the near future the gold mining industry will receive a setback from which it may not recover for many years.

S. R. Clarke.

STANDARD STOCK EXCHANGE.

	Ask.	Bid.
Gold—		
Apex	3	2
Boston Creek	20	15
Davidson	33	...
Dome Extension	9½	9
Dome Lake	15	13
Dome Mines	8.50	8.10
Dome Consolidated	8	...
Eldorado	...	½
Elliott	40	36
Gold Reef	1½	...
Hollinger Con.	4.65	4.55
Keora	8	...
Kirkland Lake	30	28
Lake Shore	...	54½
McIntyre	131	130
Moneta	8	6½
Newray Mines	15	12
Porc. V. & N.T.	15	11
Porcupine Crown	13¾	12¾
Porcupine Gold	½	...
Porcupine Imperial	1¼	1
Porcupine Tisdale	1½	1¼
Porcupine Vipond	14	12
Preston	3	2
Schumacher Gold M.	20	18
Teck-Hughes	20	14
Thompson-Krist	6½	6
West Dome Cons.	8½	8
Wasapika	35	...
Silver—		
Adanac	8½	7¾
Bailey	4	3
Beaver	25	23
Buffalo	100	...
Chambers-Ferland	13½	12½
Crown Reserve	24	19
Foster	4	...
Gifford	2⅛	2
Gould Con.	½	...
Great Northern	3½	3
Hargraves	5	4⅛
Hudson Bay	35.00	...
Kerr Lake	5.90	5.65
Lorrain	1½	...
La Rose	38½	37
McKinley-Darragh	39½	38¾
Mining Corporation	2.75	2.00
Peterson Lake	9	8¾
Right-of-Way	3½	3
Provincial Ont.	48½	47
Shamrock	10	...
Silver Leaf	...	⅞
Seneca - Superior	2	...
Timiskaming	30½	30
Trethewey	24	...
Wettlaufer	...	4
Miscellaneous—		
Vacuum Gas	10	6

Silver—99⅝c.

STANDARD SALES.

	Op.	High.	Low.	Close.	Sales.
Gold—					
Apex	3	...	...	...	500
Dome Ext.	9¼	...	9	...	3,500
Dome Mines	8.75	...	8.00	...	300
Lake Shore	65	...	...	...	1,000
McIntyre	1.29	1.30	1.29	1.30	6,800
Newray M.	15	...	...	...	2,500
P. Vipond	12½	13	12½	13	4,500
Thompson-K	6¼	6½	6¼	6½	3,000
Silver—					
Adanac	8	...	7¾	8	6,000
Beaver	24	...	...	...	500
Cham. Fer.	12½	13	12½	13	2,000
Crown Res.	22	...	...	...	1,000
Min. Corp.	2.75	2.80	2.75	2.80	200
Provincial	47½	...	...	...	600
Timisk.	30½	...	30	...	3,000

Silver—99⅝c.
Total sales—35,320.

SILVER'S FLUCTUATIONS

The New York official quotations for silver recently advanced one-eighth of a cent an ounce to 99⅝c. For some months the price remained at 99½c.

The monthly averages since the beginning of 1916 follow:

	1916.	1917.	1918.
January	56.76	75.14	88.72
February	55.74	77.54	85.79
March	57.89	74.13	88.11
April	64.37	72.51	95.35
May	74.27	74.61	99.50
June	65.04	76.44	99.50
July	63.06	78.92	.....
August	66.07	85.40	.....
September	68.51	100.73	.....
October	67.86	87.38	.....
November	71.60	85.97	.....
December	75.70	85.97	.....

LIVERPOOL MARKETS.

Liverpool, July 17.—Beef, extra India mess, 370s.
Pork, prime mess, western, 330s.
Hams, short cut, 14 to 16 lbs., 137s.
Bacon, Cumberland cut, 26 to 30 lbs., 152s.
Clear bellies, 14 to 16 lbs., 166s.
Long clear middles, light, 28 to 34 lbs., 160s; do., heavy, 35 to 40 lbs., 159s.
Short clear backs, 16 to 20 lbs., 157s.
Shoulders, square, 11 to 13 lbs., 128s.
Lard, prime western, in tierces, 149s 6d; American refined, pails, 152s; do., boxes, 150s.
Tallow, Australian in London, 72s.
Turpentine spirits, 125s.
Rosin, common, 64s 6d.
Petroleum, refined, 1s 6⅝d.
Linseed oil, 62s.
Cottonseed oil, 68s 3d.
War kerosene, No. 2, 1s 2¾d.

NEW YORK COTTON.

J. P. Bickell & Co. report New York Cotton Exchange fluctuations as follows:

	Open.	High.	Low.	Close.	Prev. Close.
Jan.	24.00	24.48	23.97	24.35	24.08
Mar.	24.14	24.38	23.85	24.25	23.97
May	23.90	24.19	23.90	24.25	23.92
July	28.25	28.75	28.25	28.70	28.15
Oct.	25.04	25.45	24.90	25.30	24.97
Dec.	24.30	24.77	24.28	24.62	24.37

CHICAGO MARKETS.

J. P. Bickell & Co. report the following prices on the Chicago Board of Trade:

	Open.	High.	Low.	Close.	Prev. Close
Corn—					
July	159¾	161	158¾	159¼	160½
Sept.	160¼	161⅞	159¾	160⅛	160⅞
Aug.	160¼	161⅞	159¼	160⅛	160⅞
Oats—					
July	75½	76½	75½	76½	75½
Sept.	70⅝	71⅞	70⅝	71¼	70⅝
Aug.	72	73	72	72⅞	72⅛
Pork—					
July	.....	.....	.....	N45.25	44.80
Sept.	45.30	45.35	45.30	45.35	45.00
Lard—					
July	26.20	26.25	26.15	26.15	26.15
Sept.	26.15	26.30	26.15	26.25	26.15
Ribs—					
July	.....	.....	.....	.....	24.80
Sept.	24.67	24.80	24.67	24.72	24.62

To Stimulate Gold Production

"We believe that unless substantial help is given, gold will be at a premium of 50% in five years."

The above is the statement of the American Mining Congress, a body formed a short while ago to go into the matter of gold mining, to review prevailing conditions and to suggest ways and means to prevent the threatened falling off in the production of gold.

Gold mining throughout the world has suffered seriously through the inevitable inflation of commodity prices. The cost of everything connected with gold mining, including labor, has advanced in some cases over 100%, while at the same time the value of an ounce of gold has remained fixed at $20, so that actually the value of gold has decreased, as it has less buying power than in pre-war times.

Rising costs with a fixed value for the output have caused the gold producers not only of Canada and the United States, but also in South Africa, to conserve their ore bodies until more favorable conditions return, thus bringing about a serious shrinkage in the production of the yellow metal. It is this decline in output that has brought about the concerted action in gold producing countries to obtain aid in some shape or form, so that the gold producer may not operate at so great a disadvantage, and that the gold supplies may not become depleted.

By the leading authorities it has been stated that at no time in the history of the world was the maximum production of gold so essential. The expenditures by the belligerent countries since 1914 have been on a scale never before approached in history. On the other hand, the mining of gold, on which the tremendous credits established by the nations at war are based, has fallen off, and unless some effective means are taken to revive the industry, the output of the precious metal will become so insufficient as to cause it to sell at a premium.

According to one authority, the national debts of the fighting countries have passed the $120,000,000,000 mark, and whereas the gold reserve of the world before the war was about 35%, at the present time it has declined to about 8%, and the war debts are still piling up on an increasing scale, while the production of gold since 1915 has suffered a severe setback.

Hence, the Mining Congress formed at Washington find that "many things may be properly done for gold mining. First, gold production may be relieved from war excess profits tax law; gold mining may be classed as a war industry, through which preference might be given in obtaining its supplies; freight rate advances as relating to gold mining might be remitted; and lastly, its employes may be made immune from the draft."

A further suggestion has been made in both England and the United States, that the government pay to gold producing companies a bonus on their output. One mining man has suggested a bonus of $10 per ounce, claiming that at this price the value of the metal relative to other commodities would be in about the same position as it was a couple of years ago.

While the bonus above suggested seems perhaps extravagant, a review of the increases which have taken place in the wages for labor, the cost of steel products, the increase in freight rates, and the enormous advance in explosives, all of which have had to be borne by the gold producers, lead to the conviction that some such action must be forthcoming if the gold mining industry is to be put on the same basis as before the war. While the mining of gold is undoubtedly most essential, even the most patriotic person could not expect the gold mines to deplete their ore resources under conditions which in many cases would mean the dissipation in its obtainment, of a very large percentage of the income derived from the sale of the product.

It seems eminently unfair to the gold producers that, while the price of the subsidiary money metal, silver, has been advanced by government action to a figure which is over 70% above the average for the last ten years, gold should remain at the same price as in pre-war days, while every factor in its production has become substantially more costly.

Interests closely connected with the gold mining industry are confident that, the attention of the Allied governments having been called to the situation, some action favorable to the gold mines will surely result, whether it be in the form of a bonus or in other ways equally effective.

The conditions above have been fully discounted by the drastic depreciation in the value of the gold securities, so that any betterment in conditions brought about either by government action or by a suggestion that the conclusion of hostilities is close at hand, must be reflected in the gold securities market.

We believe that the worst, as regard the gold stocks, has been witnessed, and that from now on the situation will become increasingly bright. Gold securities bought on a "war-time" basis cannot fail to make a handsome profit, if held for the coming "peace-time" prices.