

atively low angle of inclination at which the strata dipped toward the southward, indicated that higher strata bringing in possible true coal measures, should be looked for in that direction. A later investigation on the part of Mr. Howley confirmed this conclusion. Boring operations were then commenced by the Government, but only negative results were obtained until 1891-2, when a more systematic plan was adopted under the direction of the geological staff. Under the foot-hills to the south of Grand Lake, some rock exposures were discovered, and upon stripping these, good sections were exposed, consisting of true coal measures doubled up in the form of a sharp, narrow synclinal trough, holding seams of coal of various thickness. Further attempts were made to find coal near the Lake Shore on Kelvin Brook, boring being carried on there without, however, great success, but in 1895, railway construction having reached the vicinity of the Grand Lake, coal was discovered near Goose Brook. The report says: "This find was a great step in advance, and afforded a clue to the true structure of the region. We now had hold of the coal basin again in a part of the country far removed from the hill range. or just eleven miles on the strike from the further western extreme of the trough. It proved beyond question that the conclusion which had been arrived at as to the prolongation of the coal trough into the flat country was correct, and that the likelihood of the trough widening out in its western extension was very probable. Had this clue been followed up at the time we would now be in possession of much more information of this central coal basis, but the prosecution of the investigation was again deferred."

In 1898 the coal reserve was handed over to Messrs. Reid, who commenced mining operations on seams of coal at Aldery, Coal and Goose Brooks, and extracted some 8,000 tons of coal. After the reserve again reverted to the colony no further attempt was made to explore the region until last year, when the Government made an appropriation to continue the explorations with a Davis Calyx drill. Boring was commenced about half a mile east of Goose Brook, and two genuine coal seams, besides some smaller ones, were discovered. The result of the season's operation was to unmistakably indicate the existence of a larger and more promising trough of the coal measures, or rather extension of the original trough. Another important point ascertained was the fact that this portion of the coal trough is far removed from the hill range, and occupies the flat country, having, therefore, room to expand both laterally and longitudinally, over a very considerable area, nor is it so likely to be badly faulted. Mr. Howley states that he will not be surprised if, on fuller examination, this coal basis will be found to attain a thickness of measures not far short of the Sydney coal trough, which comprises between 1800 and 1900 feet; and in view of the importance of the possession of available coal on the island, and the effect it must inevitably produce on the future of the mining development of the colony, he strongly urges the Government to not only reserve this coal area, but, if possible, all the areas or prospective areas in which coal is likely to occur elsewhere in the country.

THE PRESENT PHASE OF THE CARIBOO HYDRAULIC.

Shareholders of the Consolidated Cariboo Hydraulic Mining Company, Ltd., of whom the majority are eastern men, are naturally much disappointed and disgusted at the present position of affairs; and the failure of this undertaking, which has always been regarded as one of the most promising in British Columbia, will, it is feared, further discourage the investment of Eastern Canadian capital in mining ventures in the western province. The worst feature of the case is the fact that the property is, undoubtedly, a valuable one, and under anything like favourable conditions is capable of yielding very handsome returns on a large capital. This, it may be said, is the opinion of every experienced engineer who has visited the ground. To what cause, then, it may be reasonably asked, can the present failure be ascribed?

While, of course, during the last few years, shortage of water, due to an abnormally scant precipitation, is very largely responsible for the relatively small recoveries made, the question, we fear, can only be really answered in one way, namely, that the directors, although repeatedly advised to do so, failed to appoint a competent person to control and regulate expenditure at the mine. Their reason for neglecting this precaution is tolerably well known to many, and there is no need here to dwell at length on the point. Meanwhile, for the last two or three years the mine has been operated at a considerable loss, and at the end of the 1903 season it became necessary for a large sum of money to be raised in order that the work might be continued. This was provided by a few of the principal shareholders who agreed to advance the company, on a short loan, the sum of \$170,000, without interest. Later at a meeting of shareholders, held on January 13th, of that year, shareholders were invited to participate *pro rata* in subscribing to bonds for \$400,000 at 50 per cent. of their face value, to pay off the liabilities and provide additional working capital. But this invitation met with practically no response, barely 60,000 bonds yielding but \$30,000 being subscribed for. Consequently, each of the shareholders concerned in the \$170,000 advance, was compelled to accept bonds for the amount of his respective advance, no interest being charged. In 1904 these few gentlemen were also called upon to guarantee bank loans for wages, plant, development, etc., pending the season's clean-up. The returns were again unsatisfactory, and guarantors were faced with a deficit of \$70,000. Under these circumstances they, very naturally, refused to do more this year unless supported by the shareholders in general, and a circular was issued to this effect, stating that unless the holders of the company's stocks were prepared to do their share towards saving the property, the trustee for the bondholders would sell the mine under the terms of the mortgage indenture securing the bondholders, none of the coupons having been met up to the time of the issuance of this circular, in March last. It was further stated that a majority, if not all, of the bondholders, who are also shareholders in the company, would join *pro rata* with the other shareholders in providing a fund sufficient to liquidate the bonds on the basis of the price at which they were sold, without interest, and by