CORRESPONDENCE

YUKON BASIN GOLD DREDGING COMPANY.

Editor Monetary Times:

Sir,—In your criticism of the Yukon Basin Gold Dredging Company, issue of 4th inst., you pay a well deserved tribute to the sterling character of Mr. William Ogilvie, the president and general manager, and criticise his company.

The facts are these. William Ogilvie, in spite of countless opportunities of amassing wealth had he been less honest and determined, voluntarily resigned his strenuous office as Commissioner (Governor) of Yukon in 1901, and came out of that country a comparitively poor man. But in spite of every difficulty thrown across his path, he had brought order out of the mad rushes of 1897-98, and supported by men like Col. S. B. Steele, had upheld the dignity of Canadian law in what would have been a slaughter pen in the Western States.

Having every faith in the Stewart River country as a dredging proposition, he formed a small company, embarked his little savings of many years in it, built a small experimental dredge, and for several seasons tested the bars and gravels of the Stewart. Funds were insufficient and the dredge was built by parties who appeared not to understand the vital parts of such. Later it was tested alongside a modern dredge on the Klondike River, and while it could hardly pay expenses, its big neighbor was scooping up about an average of $50,000 of gold per working month, at a small cost.

Mr. Ogilvie suffered the fate of any other honest pioneer and experimenter, such as, for instance, Robert Henderson, of Nova Scotia, the discoverer of the Klondike, and was left practically penniless. Although as the Finance Minister observed not long ago, "Canada owes much to William Ogilvie." Canada is not in the habit of recognizing and paying such honest debts—except where accompanied by very strong political pull.

But Mr. Ogilvie is no beggar, and as he was slighted in the circles that used to honor him, he was forced to turn to the United States, when a tempting offer came from New York for his company's concession of dredging rights on 105 miles of Stewart River bed. Unlike nearly all the other concessions granted people in Yukon, his interfered with no poor miner. The members of the old company who had sneered at Mr. Ogilvie's want of success, were allowed the chance to withdraw to advantage, or remain in the new company.

Twenty Millions Is Too Much.

The men who formed the Yukon Basin Gold Dredging Company recognized the immense opportunity which this concession gave them, and relying on the tests and reports made by Mr. Ogilvie, they determined to make it an effective rival of the all-dominating Guggenheims in Yukon. This, and the knowledge that nothing appeals more quickly to the speculative Yankee than a big thing, no doubt led them to place the capital at $20,000,000, which is certainly a little more than they need just at present. But I understand that their ultimate object is to place a fleet of big dredges on the concession, to develop large water-power, acquire more mining territory, etc., etc.

They have placed the chief executive power in the field in the hands of Mr. Ogilvie, and under the strictly enforced expert tax on gold in Yukon, an official record of all the gold produced by the company, can be had.

Mr. Ogilvie is probably better known by the United States Government and people than even by his own charyof-praise-giving people. Such was the prestige of his name, that in spite of the severe financial depression, enough stock was soon sold in the Northern States, at a necessarily low rate, by the "whirlwind" secretary, Mr. Clawson, to float the company, and to pay for the first mammoth dredge to be laid down at Whitehorse on 15th June by the Risdon Company of S.F.

Canadians Will Not "Chirp."

I think the company made a mistake in offering any stock for sale through Canadian agencies. Let Canadians buy through the head office at Kansas City, Mo. Then if it fails, being a United States company, no Canadian will ever chirp.

My observation of mining and other ventures, beginning as a boy of fourteen, with the Thunder Bay silver boom of 1873, and continuing thirty-one years through Manitoba, British Columbia, and Yukon, is that if an Englishman, Ontario, Eastern Canadian invests $100 in a Canadian enterprise, and it fails honorably, he will squeal about it for ten years, and will revile everyone connected with the company. But if the same man (English or Canadian) invests $1,000 in a doubtful Yankee mining company, and it does him up in good shape, he will never say a word about it—not a word.

The average Ontario man is like a widow, not fitted to invest in mining ventures. Look at the horrible mess they made of the British Columbia mines, and the equally bad one in Nova Scotia coal mines, let alone the agents they abandoned in the Klondike, when they could not accomplish the impossible.

No one should invest money that he cannot afford to lose, in a mining enterprisee, no matter how promising, for mining is a risky, but far more honorable venture than the sheep-heads of Eastern cities imagine, who send their money to the beasts of prey in the stock markets of New York or Chicago.

Lawson's Dramatic Stock Sale.

Look at Lawson's spectacular sale in Canada of Yukon Gold Dredging stock, and say whether it was all snapped up, and whether it is genuine or a fraud. But the Guggenheims have invested about $12,000,000 in immense development and preparations for dredging and hydraulicking on the Klondike creeks. (See Rowatt's report to Interior Department, 1907.) They have fully tested their ground. Before I left Dawson in 1904 the value of gold dredging had been established by over five years' experiments. In spite of the opinion of wiseacres, hydraulicking and dredging for gold in the deeply and perpetually frozen gravel of Yukon have been proved a success.

Some of those who have reported on Stewart are very competent men to do so, such as Robert Henderson the discoverer of the Klondike. I wintered 1898-99 on the Stewart and visited some of its creeks, all of which carry coarse gold, and its bars have a reputation among "grubstakers" from the early eighties. I also visited it in 1901, as census Commissioner for Yukon, and got reports on it.

It is unfortunate that all the cream of the gold production of Yukon, as well as the cream of its trade at its best, goes to the United States, but so it was and will be, because such a company as this could not be floated in Canada with one-tenth of the capital.

Would Not Recommend It.

There is no reason why Mr. Ogilvie's company should not be a great success, as I believe it will be, having such ideal territory. But whether it is to be a success or not, I would not recommend my Canadian friends to invest in it—although I will readily do so myself—because if by some ill turn of fortune this well-timed and promising mining venture should prove a failure, I would never hear the last of it.

But in spite of the persevering want of faith by Eastern Canadians in our Western and Northern mineral and other resources, I am still proud to be a Canadian.

Yours, etc.,
Henry J. Woodside,
(Editor, Yukon Sun, 1899-1901.)

Ottawa, April 13, 1908.

[Comment on this letter appears on another page.—Ed.]

FORTY YEARS AGO; FORTY YEARS HENCE.

Editor Monetary Times:

Sir,—My attention has been drawn to the following statement made in the course of an article entitled, "Forty Years Ago; Forty Years Hence," appearing in your issue of the 11th inst., page 1710: "The Royal Canadian merged with the Consolidated Bank of Canada, afterwards becoming the City and Royal Bank of Canada."

The facts are: The Royal Canadian Bank merged with the City Bank under the name of the Consolidated Bank of Canada, the amalgamation taking effect on the 10th May, 1876. The Consolidated Bank suspended on the 1st August, 1879. The bill to authorize its winding-up being introduced into Parliament on the 9th March, 1880. Of course, with the winding-up of this bank, both the Royal Canadian and City Banks passed out of existence. The Royal Bank of Canada was incorporated in 1869 as the "Merchants Bank of Halifax," its name being changed to "The Royal Bank of Canada" on January 1st, 1901.

Yours, etc.,
W. B. Torrance,
Superintendent of Branches.

Montreal, April 13th.