

PALO ALTO BEFORE THE PUBLIC.

P. A. O'Farrel, in the following letter, gives a history of the Palo Alto stock transaction, which made the name of that company stink in the nostrils of reputable people. He exonerates himself, but his letter contains the most damning accusations against the Victoria members of the company's directorate. Medical jurisprudence has a variety of lunatics whom it calls criminal imbeciles—Victoria seems to produce a class of men which medical jurisprudence should certainly classify. Were any of the Victoria members of the Palo Alto board members of the local legislature or the Board of Trade? If not, they would certainly make worthy candidates:

"SPOKANE, Oct. 24. -To the Editor of the Spokesman-Review. During my absence in the east Charles Dubois Mason and William Gaston Estep have been making statements to the newspapers about the affairs of the Palo Alto Mining Company. The statements of Mason hardly need comment. When I formed the Palo Alto company a friend of his recommended him to me as a suitable secretary, and I had him appointed.

"Some six months ago I bought a two-thirds interest in the Palo Alto mining claim. Mr. Estep had acquired a one-twelfth interest in the same claim for \$250, and an additional one-twelfth by forfeiture of a loan of \$500. Having become a mine owner to the extent of \$750, he and the other owners quarrelled for six months as to their respective rights in the Palo Alto claim. I had the property examined and reported on, and I bought the controlling interest in the property fully convinced that it would make a valuable mine.

"Having acquired control I resolved to form a company, but it took the greatest possible amount of persuasion and tact to peacefully secure the co-operation of Estep. Very unwillingly, I had to consent to his being a director of the company. I knew the man, but as he was merely a minority holder I did not think it possible that he could do much harm.

"At the first meeting of the company I was unanimously chosen president and manager. I strongly urged the selection of somebody else as president, but had to yield. Immediately after the first meeting of the company it was agreed that 50,000 shares of the treasury stock should be sold at 10 cents a share, and all parties present at the meeting, with two exceptions, signed an agreement not to sell their stock for less than 15 cents a share for a limited period, or until the 50,000 treasury stock was sold. Afterwards these two also signed.

"Immediately after this meeting agents were appointed in Spokane, Victoria and Rossland for the sale of the stock, and I published in the Spokane and Victoria papers a prospectus setting forth the value of the property owned by and the objects of the company. I had the claim surveyed and an application made for a crown grant. But owing to the depression in the local markets in June and July the stock did not sell as rapidly as we expected. An informal meeting of the stockholders was called at Victoria, and I told them that I would go east and would place all the stock necessary in Toronto and Montreal. I told Mr. Estep the same thing. And about the middle of July I went east.

"Acting in my dual capacity as president and manager, I contracted with George A. Case, the most energetic and highly respected broker in Toronto, for the sale of 100,000 shares of Palo Alto stock. This would have netted the company \$10,000, and it would have enabled me to push development work on the Palo Alto with confidence and vigor. I had every reason to expect that the stockholders and the other directors would not only approve of my action, but would do all they could to strengthen my hands by holding to the agreement not to sell their own stock under 15 cents a share. I wired the secretary to forward 40,000 shares of the treasury stock to Toronto, which he did.

"Five days after I made this contract, and while the newspapers of Quebec and Ontario were being thoroughly utilized to advertise Palo Alto, a meeting of the company was held in Victoria. Palo Alto stock was selling east for 15 cents and shoals of telegrams were arriving at Victoria daily asking for Palo stock. The Victoria brokers were hunting round for options. And yet Mr. Estep tells us that he did not know what I was doing in Toronto.

"I had no knowledge that a meeting of the company was being held or was to be held on August 4. Had I been informed of the object and date of such a meeting, I would have had Colonel John M. Burke, who was largely interested with me in the property, represent me at the meeting. But neither Colonel Burke nor myself knew a thing about it till it was all over. The consequence was that a meeting was held at which there was not a single mining man present. At this meeting Mr. Estep posed as an oracle and ran the show, and had himself chosen as managing trustee of the company. He moreover induced the stockholders at the meeting to have 50,000 shares of treasury stock secretly sold to themselves at five cents a share, while my agents were selling stock in Toronto at 15 cents, and Victoria brokers were hunting for it at any price under 10 or 11 cents a share.

"The whole proceedings of Mr. Estep's meeting were telegraphed to the Toronto papers the next day, and I could not believe my senses when the editor of the Toronto Star showed me the dispatch. I telegraphed for information. The replies confirmed the newspaper dispatches. And then I knew the fatal mistake I made in not having warned the stockholders of Victoria against Estep.

"I have no complaint to make against the Victoria stockholders; they did not know him. I had more at stake in the Palo Alto than any other man. I had been the promoter, the sponsor, the guiding spirit, as well as the president and manager of the company till August 4. My money and my reputation were at stake in the venture. And had Estep not thrown his blighting influence in my way, in thirty days I would have had the company in excellent financial condition. I would have had the property worked for all it was worth, and to the best advantage. I would have fulfilled all the promises I made to those whom I induced to put their money into the Palo Alto. But for present I must disclaim any responsibility for the company's management, P. A. O'FARRELL."

SALE OF THE RUTH.

The largest deal which has ever been made in the Slocan country was consummated on Friday last, when the two-thirds interest in the Ruth Mining Company, owned by D. C. Clark, J. P. O'Neill, F. E. Starkey and G. V. Kessler, 'passed' into the hands of H. M. Forster, a member of the English parliament, for \$166,666.66, practically cash.

The other third is owned by W. H. and D. E. McVay of Spokane.

The Ruth group of mines is one of the best known in that region. They were located in 1892, and consist of four claims—the Ruth, Wyoming, Hope and Despair. They are located about 1,000 feet above Sandon, on the west side of the south fork of Carpenter Creek, and are admirably located for shipping ore. It is said that the property shows 1,000 feet of development work, and that shipments are being regularly made. One thousand tons were shipped during the winter of 1895-96, and about 400 tons a month are now going to the smelter.

The grade of the ore is excellent, running on an average of 100 ounces of silver and 65 per cent. lead to the ton.

MARKET REPORT.

Trading in stocks has been very active this week, large blocks being transferred. All the brokers report great activity. O. K. is drooping on the local market, and Evening Star has not quite held its own. As this company will pay a dividend in a month or two, it is a good investment. Deer Park is healthy in tone. Colonna is held away up. Red Mountain is still a favorite. There has been some demand for Monte Cristo. Cambridge comes on the market again at 8 cents. Cambridge is good stock to buy. By acquiring the Cambridge Fraction, which they have presented to the company, the promoters have enhanced the value of the property considerably. Many attempts have been made to induce the owners of the Southern Cross and Wolverine Consolidated to put their stock on the market at 20 cents, but so far without success. The range of official quotations show little or no change. Elise has dropped out of sight. For some reason the promoters did not publish the result of their sample mill test, which has had a bad effect on the public.

COMPANIES.	CAPITALIZATION.	PAR. VALUE.	MARKET PRICE.
Alberta.....	\$1,000,000	\$ 1 00	t 10
Butte Gold Copper.....	1,000,000	1 00	t 07 1/2
Caledonia Con.....	500,000		t 8 1/2
California.....	2,500,000	1 00	15
Cambridge.....	1,000,000	1 00	t 08
C & C.....	500,000	1 00	*
Centre Star.....	500,000	1 00	*
Commander.....	500,000	1 00	t 25
Crown Point.....	1,000,000	1 00	50
Colonna.....	1,000,000	1 00	t 12 1/2
Cariboo.....	800,000	1 00	36
Deer Park.....	1,000,000	1 00	18
Elise.....	1,000,000	1 00	t 15
Enterprise.....	1,000,000	1 00	*
Eureka.....	500,000	1 00	t 05
Evening Star.....	1,000,000	1 00	30
Georgia.....	1,000,000	1 00	35
Good Hope.....	500,000	1 00	8
Great Western.....	1,000,000	1 00	22
High Ore.....	500,000	1 00	07 1/2
Homestake.....	1,000,000	1 00	
Hull Mines.....	£300,000	£1	8 15
Hilltop.....	1,000,000	1 00	t 10
Idaho.....	500,000	1 00	*
Iron Colt.....	1,000,000	1 00	t 15
Iron Horse.....	1,000,000	1 00	
Iron Mask.....	500,000	1 00	75
Ivanhoe.....	1,000,000	1 00	t 10
Josie.....	700,000	1 00	60
Jumbo.....	500,000	1 00	75
Kohinoor.....	1,000,000	1 00	t 10
Le Roi.....	2,500,000	5 00	7 00*
Lily May.....	1,000,000	1 00	15
Mayflower.....	1,000,000	1 00	16
Monte Cristo.....	1,000,000	1 00	20
Mugwump.....	1,000,000	1 00	t 20
Monita.....	750,000	1 00	t 25
Northern Belle.....	1,000,000	1 00	t 15
Old Ironsides.....	1,000,000	1 00	15
O. K.....	1,000,000	1 00	32 1/2
Orphan Boy.....	7,000,000	1 00	t 10
Phoenix.....	500,000	1 00	t 12 1/2
Poorman.....	500,000	1 00	9
Red Mountain View.....	1,000,000	1 00	20
Rossland, Red Mt.....	1,000,000	1 00	20
St. Elmo.....	1,000,000	1 00	15
Silverine.....	500,000	1 00	12 1/2
Southern Cross & W Con.....	500,000	1 00	20
St. Paul.....	1,000,000	1 00	t 10
Trail Mining Co.....	250,000	100 00	*
Union.....	600,000	1 00	*
Virginia.....	500,000	1 00	24
War Eagle.....	500,000	1 00	75
West Le Roi.....	500,000	1 00	* 30
White Bear.....	500,000	1 00	*
Young British America.....	1,000,000	1 00	t*
Alamo.....	500,000	\$ 1 00	*
Cumberland.....	500,000	10 00	*
Grey Eagle.....	750,000	1 00	*
Kootenay-Columbia.....	40,000	100 00	* 30
Minnesota.....	1,000,000	1 00	*
Noble Five Con.....	1,200,000	1 00	40
Rambler Con.....	1,000,000	1 00	*
Slocan Star.....	500,000	50	2 15
Sunshine.....	500,000	10 00	*
Wonderful.....	1,000,000	1 00	15

Dividend paying properties appear in italics. An asterisk denotes that there is no stock on the market. t denotes treasury stock.

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