

tion and sampling of the mine. This somewhat harsh criticism is not intended to show hostility to the Velvet or want of belief in its capabilities. There is no mine in British Columbia which shows brighter promise, there is none whose success is more earnestly desired, nor any whose effects upon the mining industry will be more stimulating and beneficial. The difficulties which have hampered the Velvet have been to some extent due to its situation; but have been largely created by the London directorate. A new policy, it is to be hoped, will be carried out in the future. The capitalization of the Velvet is moderate, and its future such as to make its shares an attractive speculation. Compared with the issues we have just been discussing, the promotion in the Slocan is an unimportant one. The Slocan country is a poor man's country in two respects. If it is likely to make a poor man rich, it is also likely to make a rich man poor. So far as experience of the country has gone its mines will not produce permanent dividends upon large amounts of capital, whereas the returns upon small investments have in many instances been dazzling in their proportions.

In a recent issue of the *Critic* Mr. Henry Hess devotes three columns of closely printed matter to the persons who comprise the London board of Velvet mines. It must be confessed that the *Critic's* disclosures give point to the statement already made "that the directors of the Velvet have handled the company's property precisely in the same manner as a group of ingenious but unscrupulous manipulators would handle a wildcat enterprise." It may be pointed out that our conclusion was arrived at by a close

consideration of the history of the Velvet while Mr. Hess shows as complete ignorance of the mine and company as he does intimate acquaintance with the promotion

history of the individuals who direct it. In the article under question Mr. Hess refers his readers to another column in which he discusses the Velvet as a "mining proposition." Here, naturally, one expects to find some appraisal of the value of the property, and from the pen of so just and all-wise a person, some expression of regret that so promising a property should be handicapped by a direction so scathingly denounced. On the contrary, a criticism of the enterprise is discovered so grotesque, that it is difficult to know whether to greet it with laughter or with tears.

Some time ago a racing tout was exposed whose methods were surprisingly simple and wonderfully successful. Had he a field of ten horses he tipped every one of them to win, to different people of course, and accepted a percentage from the grateful backer of the horse which did win. Mr. Hess, at any rate so far as B. C. is concerned, works precisely the converse game upon his readers, though we of give him credit for disinterestedness. Having observed in the course of his career that the majority of joint stock mining enterprises come to grief, he spends one-fourth of his time denouncing anything that comes out and the other three-fourths proving by the derelicts what a good prophet he is. The successful ones escape his memory and his notice. It is a sincere pleasure to jog Mr. Hess's memory with regard to one British Columbia mine. For no apparent reason except that a romantic story concern-

ing the first discovery of this property went the rounds of the press, Mr. Hess ran foul of it with sneers worthy the idiotic eighteenth century snob whose effigy adorns the cover of the *Critic*. This mine paid \$70,000 net during the month of June and is earning 10 per cent. per month upon all the money invested in its purchase and development. But after all the present concern is with what he has to say of the Velvet as a "mining proposition." The first thing he has to say is that it is in bad company, most of the promotions of the parent company having been failures. This will be recognized at once as a valid criticism of the property as a "mining proposition." He then goes on to remark that as the Velvet was valued at £150,000 two years ago and as £20,000 has been spent on it since, it should now be worth £170,000 "apart altogether from any results shown by development." This we take it to be the most fatuous proposition ever advanced by any writer not suspected of insanity. To find it soberly advanced by anyone that expenditure upon a mining property enhances its value, or should enhance its value, or could enhance its value, "apart altogether from any results shown by development," is a melancholy example of the rubbish which, once put in print, will pass current for sensible criticism. But apart from that, Mr. Hess is entirely wrong as to the valuation put upon the Velvet by its owners. They retain three-quarters of the property and sell a quarter for £50,000 to secure working capital. That is the true analysis of the transaction. There is nothing reprehensible about it. It would seem to an unprejudiced mind that the proper basis for a judgment as to the value of the investment was the question whether the Velvet had ore enough to pay interest and sinking fund on £200,000. That such an inquiry has any bearing on the matter seems never to have occurred to Mr. Hess. British Columbia has been victimized by English company promoters who are the off-scouring of the earth, the very dregs of the South African and Western Australian markets. They have gone through the country with a drag net after all our men of reputation and standing, and they have slimed them over with the disrepute of their rotten and rascally adventures. So thoroughly disgusted has British Columbia become that an English promoter can no longer do business for a good property except for cash in advance unless he represents one of the few concerns who have maintained their reputation through this inundation of rascality. The province has been victimized to such an extent that it will be victimized no more. It has suffered far more than the British investor has, and is almost ready to cry *ad inferos* with the whole seething mass of corruption known as the London mining market. Mr. Hess has not done justice to the difficulties of situation under which the Velvet has been developed; he has not done justice to the honest attempt by the company to prove their property; he has not passed in review its excellent prospects as a productive and paying mine; he has simply produced everything he could to discredit the promotion. He has done so deliberately upon the grounds of the standing of the directorate, a basis of criticism responsible for four-fifths of the loss sustained by English people in joint stock speculation. To be consistent he should remove from his title page the monocular effigy which ornaments it. He would find a more suitable illustration from an earlier type in John Bunyan's "Man With the Muck Rake."