

COBALT LAKE

An editorial appeared in our last issue reflecting upon the large capitalization of the Cobalt Lake Mining Company. THE JOURNAL recently had an interview with a director of that company. It was suggested that, although our previous information was, in the main, correct, yet our manner of presenting its might create an unfair impression. For the benefit of all interested we publish the following details. The following statement is given in its entirety:—

“The Cobalt Lake property was purchased by a syndicate of six persons, three representing Toronto and Detroit interests, and the other three representing a large number of parties in the Ottawa Valley. Before these came together the Toronto and Detroit parties had arranged to act independently and to form a company should they get the property. Their arrangements included the allotment of certain promotion stock, the amount of which was eventually fixed at \$140,000. To the distribution of this, the Toronto and Detroit parties, represented by the three syndicate members, were agreeable. To effect this a corresponding block of \$140,000 in shares was taken by the Ottawa Valley syndicate members, and by them distributed among those whom they represented. The property was transferred by the syndicate to the company in consideration of so many fully paid up shares, each branch of the syndicate getting its proportion, plus its \$140,000. At the distribution each subscriber got three shares for each dollar paid, the respective shares of the \$140,000. Thus the shares of the Toronto and Detroit subscribers cost them 33 1-3 cents, while those of the Ottawa Valley subscribers cost them approximately 30 cents. The only promotion stock was the \$140,000 of the Toronto and Detroit syndicate. Apart from this and the customary brokerage, all the stock issued by the company went to the people who furnished the syndicate with the money for the purchase of the property, all members of each syndicate being treated alike. It is safe to say that few mining companies have been promoted on a more conservative basis.

“It may further be stated that the amalgamation of interests could not have been otherwise arranged, and that without the amalgamation it would have been difficult, if not impossible, to successfully carry out the purchase. Beyond this, the amalgamated interests were able to effect a saving to the parties represented of a sum largely in excess of the par value of the so-called promotion stock.

“As to the capitalization, it was necessary to fix upon an amount in anticipation of the purchase, in order to make a complete agreement between the different interests. The actual amount of stock issued is less than \$4,000,000, and as the company has over \$130,000 cash in hand for working capital, and over 57 tons of ore ready for shipment, with a completed plant in operation and paid for, there should be no necessity for any further issue, unless the company thinks proper to acquire further property.”

We have been requested by the Copper Mining & Smelting Company of Ontario to extend a cordial invitation to the members of the American Mining Institute, during their Ontario session, to visit the company's Bruce Mines property. The officials of the company will be pleased to do all in their power to make such a visit profitable.

EDITORIAL NOTES

A new General Index is to be issued by the Geological Survey of Canada. The work of compiling this Index is under the direction of Mr. Frank J. Nicolas, editor of the Publications of the Survey. Advance sheets of this sadly needed Index display completeness, clearness and an intelligent grasp of essentials. Typographically, very little is left to be desired.

An enormous trust, whose capital reaches \$130,000,000, has been formed in Great Britain by nine large iron and steel manufacturing concerns. Vickers, Sons & Maxim organized and promoted the movement. By the absorption of thirty-six independent companies the new combine will control fully 90 per cent. of the steel produced in Great Britain. The avowed object of this organization is to fit Great Britain to cope with German and American competition.

The article on “The Gold Mining Industry of Nova Scotia,” which appears in this issue, is the authoritative expression of a mining man who has had splendid facilities for observing the true inwardness of gold mining in that Province. Mr. Brown gives some rather startling facts about gold stealing. He also shows, concisely and clearly, how gold mining has suffered from the early system of granting areas covering only twenty feet along the line of the lode. To those who accept without question the statement that Nova Scotia's gold mines are worked out, we recommend Mr. Brown's thoughtful and enlightened article.

Mr. G. C. Cole, the United States Consul at Dawson, gives in a recent official report a statement of the prices of provisions and necessities at present ruling in the Yukon Territory. These generally, it may be noted, are in the neighborhood of from three to four times as high as those obtaining in Eastern centres, which, conditions considered, does not seem too exorbitant. Thus beef sells for from twenty-five to fifty cents a pound, bacon thirty-five cents, milk thirty-five cents a quart, and flour six dollars a hundred. Two dollars a dozen for fresh eggs, however, would appear somewhat stiff to the economically minded, while one would hesitate before flooring one's abode with hardwood with undressed lumber at four hundred dollars a thousand. Wages in the Yukon remain about the same as three years ago, *i.e.*, \$10 a day of ten hours for mechanics; \$4 to \$5 a day, with board, for ordinary laborers; and clerks, from \$150 to \$300 a month. The most reasonable charges seem to be for hotel accommodation, which range from \$3 to \$6 a day; but the Consul refrains from specifying the character of the accommodation offered at this price. The costs of living in the Yukon, will, of course, remain high until existing transportation facilities shall have been greatly improved.