

This report deals with the revenue and expenditure attending the physical operation of the mine, and does not include Head Office expenses.

## GENERAL BALANCE SHEET.

Mines, Leases, Water Rights, etc., as per balance sheet, Dec. 31st, 1899	\$4,053,288 33
Permanent Improvements, season 1898:	
Drain tunnel, per balance sheet,	
Dec. 31st, 1899	\$ 2,826 74
Less 20 per cent. depreciation	565 34
	\$2,261 40
Rifle account, per balance sheet,	
Dec. 31st, 1899	\$10,440 01
Less 10 per cent. depreciation.	1,044 01
	9,396 00
Permanent improvements season 1899:	
As per balance sheet, Dec. 31st,	
1899	\$55,115 85
Less 10 per cent depreciation on	
Rifles, \$5,676.88.	567 88
	54,548 17
Total improvements, seasons 1898 and 1899.	66,205 57
Inventory as per manager's report	47,144 31
Accounts receivable	6,318 85
Gold specimens on hand	271 93
Cash, head office	18 05
	\$4,173,247 04

## LIABILITIES.

Capital authorized	\$5,000,000 00
Capital issued	\$4,000,000 00
Accounts payable	63,221 67
Bk. of Montreal, Vancouver	
cheques outstanding	12,937 98
Bk. of Montreal, Toronto	8,245 81
Profit and loss account.	88,841 58
	\$4,173,247 04

## PROFIT AND LOSS ACCOUNT.

Debit.	
To balance, 31st December, 1899	\$ 49,209 21
To operating expenses for season as per statement from mine	151,181 72
To drain tunnel, 20 per cent. written off for depreciation	565 34
To rifles, 10 per cent. written off for depreciation	1,611 69
To head office expenses	1,907 58
To interest and guarantee account	59,828 95
To balance profit	88,841 58
	\$353,146 07
Credit.	
By bullion recovered	\$350,085 77
By stores account profit on sales to outside parties	3,060 30
	\$353,146 07

The largest corundum mill in the world, which is situated in Raglan township, Renfrew county, Ont., was started on the 21st inst., and when in full operation, it will turn out more corundum than all other plants in existence. The full capacity of the mill is 15 tons of corundum per day, reclaimed from 190 tons of rock. The orders are chiefly from great engineering works in Europe and the United States. Mr. George C. Edwards, of Bridgeport, Conn., is president of the company.

A distinct feature of electrically distributed water power is the advantage it offers to manufacturers of small and medium capacity. Experience has shown that the consumer of 100 horse-power will probably have to pay somewhat more per unit than the consumer of 1,000 horse-power, but the difference in rates will represent only a small fraction of that in cost which would result were a separate water wheel installed for each case or any other form of power plant used.

## COMPANY MEETINGS AND REPORTS.

## MCDONALD'S BONANZA (KLONDIKE).

THE second ordinary general meeting of the members of McDonald's Bonanza (Klondike), Limited, was held on Thursday, Mr. James McKillop, M.P., (the chairman), presiding.

The secretary (Mr. James Stewart, C. A.) having read the notice convening the meeting.

The Chairman said: In submitting the report your directors regret that the returns from the property (although showing a profit) have not come up to expectations. During the present year the number of working days occupied in treating the gravel have been 82. The season was very wet and cloudy, thus necessitating the use of steam for thawing the frozen gravel, whereas the previous year the heat of the sun during July and August was sufficient for the purpose and more effective. The use of steam has caused extra expense and a reduced tonnage thawed. It is undoubtedly the experience of almost all the Klondike companies that returns have not come up to anticipations, in many cases no profit at all resulting; indeed, in our experience the representations made by experts from that region as to large and easily obtained returns of a profitable nature from the placer deposits there have in most cases failed to be realized. Gold does not exist over large areas; however, it appears that it is only here and there that it is sufficiently concentrated to be of a highly payable character. As a goldfield, Klondike seems more adaptable for individual effort than for companies (even with moderate capital), which must necessarily have more expenses connected with them, and besides, the individual prospector and operator by the laws of the country escape charges which are exacted and binding on a company. It is well known that the conditions of mining in the Klondike as regards light, climate, distance, social life, and rate of living, in addition to the exorbitant royalty and other charges, to which I will refer more fully later on, make the cost of working claims very high. Some of these objections will always stand, but it is to be hoped—at any rate, in so far as taxation is concerned—that relief will come and that conditions in many ways may be modified to enable a reduction of the present high cost rates. Your board recognizes these facts and are doing their best to face this peculiar position by economizing wherever possible. In the change of management alone they expect a saving of, say, £1,000 per annum will be effected, as well as securing the services of a management all the year round. On reference to the accounts, you will observe that the profit for the period covered has been £19,034 6s 4d., after paying for 16 bench claims and the quartz location, which have cost £2,869 14s 3d. In looking through the items of the profit and loss account, the only matter to which I need draw your attention specially is that of the Government royalty and the bullion charges (that is the bank charges for realization) which, together amount to £7,702 13s 1d. In referring to this matter, I cannot refrain from stating my opinion that an injustice is perpetuated on the investors by the Canadian Government in respect to the afore-mentioned royalty charge. Their demand on companies is at the rate of 10 per cent. on the gross output. This charge, during the company's existence, as shown by the report, will amount to £6,000 odd, which would have been extracted even if the company had not paid a dividend to the shareholders, and even if it had actually worked at a loss. I repeat and emphasize the fact that the existence of a system which supports such a condition of things is incredible and unjust, and if not repealed or modified, must inevitably result in discouraging British enterprise in that country. The principle underlying royalty has—to my mind—always been understood to mean the charge of a fixed percentage on profits and the departure made by the Canadian Government in demanding royalty upon the gross output, must paralyze an industry, and in process of time extinguish it altogether. We have heard, but not officially, that this question is now under the consideration of the Canadian Government, and indeed it is one which calls for immediate attention. The bank charges for realizing the gold are at the rate of 2½ per cent. Taking the royalty and the bank charges together, we find that these represent an amount equal to a dividend at the rate of 7½ per cent. on the priority shares of the company. With regard to