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SEPTEMBER MEETING OF THE CANADIAN MINING INSTITUTE — IMPORTANT POINTS RAISED THERE.

At the September meeting of the Canadian Mining Institute some very good points were made about economies in management by Mr. John E. Hardman, Montreal, the president, and by Mr. Howard West, New Denver, B.C. In an exhaustive paper on mine accounts Mr. Harman laid great stress on the necessity of increasing, if possible the ratio between laborers who are producers and those who are consumers. Producers, to adopt the names employed by Mr. Hardman, are those who mining turn a mere prospect into an ore producer and furnish the output which developes the mine into a dividend payer. Consumers , on the other hand, are not employed directly this way. They produce nothing, but aid in various ways in getting ore shipped to the smelters and markets. The conclusion is that in all mines a greater care to reduce the expense of labor that consumes while it produces no ore and to increase the ratio between producers and consumers would be profitable. This ratio allowed to trespass beyond a certain limit which, of course varies with value in each particular case causes a mine to cease being self supporting and lands its promoters in financial difficulties. The reduction of the ratio, therefore, between non-producing outlay and the outlay that produces the marketable ore is an object that every manager ought to have always before him as one aim. The smaller the proportion of consumers such as nippers, trammers and surface men the more profitable the mine, the larger the proportion of producers such as stopers, developers, etc., who directly produce material from which revenue or income is derived, the more profitable will the mine become.

Mr West, dwelling on the need for checking smelter assays, and introducing into the Slocan the method of concentrating to check waste, spoke also about an even more important economy. This is in the matter of secondary products of the mine. It seems that smelter men have been in the habit of ignoring as waste much valuable zinc blende and even charging more if the ore had much of it Slocan, with them is a silver or lead district, and must not have its ore treated for anything else. Their thickheaded obstinacy in this matter has had much to do with the failure of many mines. As a proof that attention to such secondary products would be a real economy and a source of income. Mr. West mentions the case of the Bosun mine which has disposed of its zinc contents at a great profit. Several car loads of ore for which a market could not be found on this side were disposed of in London and are probably the first case in the history of the Slocan where actual payment has been made for any mine's zinc contents The ore in question averaged 45 per cent metallic zinc, 1.5 per cent lead and from 50 to 80 ounces of silver per ton As being an exception to American smelters, there are certain works on the Manchester ship canal which encourage the zinc producers and enable them to effect this desirable economy

These are a very few of the subjects treated of at the September meeting of the Canadian Mining Institute They are important and they were well put The Institute's discussions cannot fail to be of the utmost value to Canadian mining industry.

THE BASIS OF VALUE.

(From the Western Miner and Financier.)

Probably in no other line of industry is there such a wide divergence of opinion as to what constitutes the value of a mining property. From the very nature of things it will be readily seen that it is absolutely impossible to fix anything near like an intrinsic value on a mine.

In ordinary commercial transactions the basis of value can be determined closely by the original cost of the article or property and the improvement thereon, added to its values as a producer of the utilities of life, but this rule is manifestly inapplicable to mines carrying the precious metals. The first cost of the property is almost nothing the machinery is worth only what it brings in a second hand store, and the improvements in the way of tunnels, drifts and shafts are absolutely worthless unless paying mineral can be produced. The prospect which does not have pay ore in sight is intrinsically worthless, its value being entirely prospective, but it does not follow that the price of such a property should be fixed accordingly.

On the other hand, the frequent contentions of mining experts that the value of a mine should be estimated entirely by the value of the ore in sight seems equally unjust. It is self-evident that the owner would not care to sell at a price which would net him only what the known ore would bring. Why can't he mine and sell this ore as well as any one else and still own his property with its prospects? The fact that the original owner of a prospect is usually a poor man, who lacks capital to develop his property and furnish it with needed improvements to facilitate the handling of its output, often makes it desirable to either sell the property or a part of it. The expert who examines the property for the capitalists advises his principal of the ore in sight, improvements, etc., but is usually conservative enough not to make any positive estimate as to what may be reasonably expected from the development of a known ore shoot He is probably justified in this for all his experience in mining will not warrant him to state positively what development may bring forth. In a known mineralized belt, allowance should doubtless be made for this, but it must be borne in mind that analogy in mining cannot be relied upon.

Of late years the custom in vogue of organizing a company seems to most just, for the reason that the prospector owning the property takes an interest in the company in exchange for his property and takes equal chances as to the outcome with those who put their money in by buying the stock of the company. In this case there is not or should not be any misunderstanding, though of course there must be a valuation as the basis for the formation of the company. The financial salvation of all concerned is entirely dependent upon the property itself, and those who buy the stock know that their money goes into the property and not into the pockets of an unscrupulous prospector. On this basis people who buy interests in prospects are usually content to take chances, and the possibility of big profits on small capital should undoubtedly make them so.

There does not seem to be any known rule that can be properly applied to valuations of mining properties. Each mining district has its peculiarities, and geologists will tell you that hardly a single known rule will apply to all districts. This seems strange, and yet it is not to be wondered at when they will also tell you that the formation of gold bearing rock is as yet only a matter of conjecture.