

the subsequent tour through Cobalt, Copper Cliff and other places will be made memorable for the American Institute of Mining Engineers.

### THE DISCOVERER OF KLONDYKE

Evidence has been gathered which shows fairly conclusively that to Robert Henderson, of Pictou, Nova Scotia, belongs the honor of being the discoverer of Klondyke. In 1894 Henderson was outfitted at Ogilvie by his friend, Joseph Ladue. The summers of 1894 and 1895 he spent in prospecting the streams of the Indian River Valley. During the winters of these years he mined alone on Quartz Creek. In the summer of 1896 he discovered gold in Hunker Creek Valley, or Gold Bottom, as he himself named the district. Provisions gave out in August and Henderson was forced to go to Ogilvie for fresh supplies. On his way back to Gold Bottom, by the Klondyke River, he spent a night on the present site of Dawson. It was here that he came upon Carmack. To Carmack Henderson made known his discovery, and invited him to come up to Hunker Creek and stake. Carmack followed in a few days, staked near Henderson's discovery and, returning, discovered gold in Bonanza Creek. Of this discovery Carmack did not notify Henderson, but proceeded to Forty Mile, where he spread the news. At first his story was received with incredulity, but before long the stampede began, and the new finds were staked out before Henderson had been informed of their existence.

Owing to complications, Henderson was refused a discovery claim on both Gold Bottom and Hunker branches of the river. He was, however, given the choice of staking one ordinary claim on either Gold Bottom, Hunker or Bear Creeks, or the equivalent of one out of five claims staked before others.

Carmack's ingratitude lost to Henderson the chance of controlling the richest gold deposits of the North.

### A SUGGESTION

The Nova Scotia Mining Society has striven in several ways to stimulate various branches of that Province's mining industry. Within the past few years the Society has appointed committees to report upon gold mining, iron mining and the clay and cement industries. Although the work of these committees has, in some respects, been disappointing, yet, in the aggregate, very beneficial results are to be observed. Iron mining, for instance, is more actively carried on than ever before, and it is quite within bounds to state that it will very soon become a substantial and thriving industry. Gold mining, despite the Society's efforts, is not in a flourishing condition. We mentioned some time ago the causes that, in our opinion, have militated against the success of gold mining. Nova Scotia needs a practical demonstration of the benefits to be derived from the careful application of clean business principles and

economical modern methods. The Richardson gold mine, perhaps, furnishes this. Several other gold mines are in a fair way to do it.

But, to return to the Society's endeavor to promote the mining industry; while tangible results may not in every case be observable, the influence of this organization for good is distinctly traceable in the gradually increasing confidence of Nova Scotians in their own Province's resources. This, in itself, demonstrates that the Nova Scotia Mining Society has not wrought in vain.

In the methods adopted by the Nova Scotia Mining Society there lies a suggestion for the Canadian Mining Institute. There is no reason why the Institute should remain in a state of somnolence throughout those periods intervening between its annual meetings. It may well learn a lesson from its energetic Eastern sister. Committees from the Institute could without difficulty find matters of profound importance to work upon during the year. The varied interests represented by the Institute's membership would gladly support any effort to more closely identify the Institute with the onward march of the sciences of mining and metallurgy.

### THE VALUE OF A MINE

It would be hard to damn more conclusively the fatuous newspaper claims, made by certain mining brokers for their undeveloped gold properties, than by recommending possible victims to read thoroughly Mr. J. B. Tyrrell's article on the value of a mine. The first installment of Mr. Tyrrell's paper was presented in our last issue. In the present number appears a second.

One paragraph is exceedingly worthy of assimilation and digestion. It enunciates a principle too often ignored or lost sight of by investors.

Alluding to rates of interest on mining investments, Mr. Tyrrell speaks to this effect: "In Canada rates of interest that would be considered fair and reasonable for a mining investment, keeping in view the many possibilities of loss, would vary from seven to twenty per cent." After characterizing as gamblers those who expect higher rates on mining shares, Mr. Tyrrell continues thus:

"In addition to the above rates of interest, the dividends must include certain sums which for a term of years should be credited to a sinking fund for the replacement of capital, and the question of how many years should be allowed for such repayment must be kept constantly and clearly in view, *or the investor will be certain to drop back into the idea that dividends are interest and nothing else.*"

The italics are our own. The sentence italicized expresses tersely and well the precise point on which the ordinary investor in mining property goes wrong. The examples with which Mr. Tyrrell illuminates his argument are typical.