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QUARTERLY REPORT

OF THE

DIRECTORS

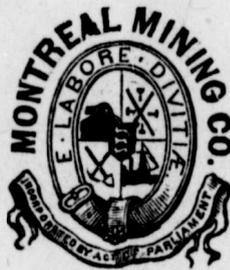
TO THE

STOCKHOLDERS

OF THE

MONTREAL MINING COMPANY,

WEDNESDAY, 17TH NOVEMBER, 1852.



MONTREAL :

PRINTED BY H. RAMSAY,

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QUARTERLY REPORT
OF THE
DIRECTORS
TO THE
Stockholders of the Montreal Mining Company.

MONTREAL, 17th NOVEMBER, 1852.

The Directors of the Montreal Mining Company, beg to submit as their Quarterly Report, the following statement from the President :

“ GENTLEMEN,

Having recently returned from the second visit I have this year made to the Bruce Mine, I proceed to lay before you a short account of the present state of affairs at your establishment there, and I am gratified to be able to say, that under the judicious and careful management of Mr. Borron a vast improvement has taken place, and is evident in every department of the work.

Following up vigorously the general plan laid down at my former visit, the system of working the Mine has been altogether changed, and though as might have been expected—and as I did expect,—some difficulty was at first experienced in carrying into effect such very great alterations, yet it is pleasing to know that the result is in general satisfactory.

Under the system now adopted the exact cost of getting out the ore and dressing it up to a state fit for market is ascertained, and as the men who have worked on this system have made good wages, it is regarded with much more favour than before.

The plan of keeping the books and accounts has also undergone

great alteration, and the benefit of the change is admitted by all parties in any way conversant with the matter.

The vast quantities of property which encumbered the beach have been collected together and properly stored, the rubbish mostly cleared away and the general appearance of the place is therefore very much improved.

The pile of skimpings, which under the accumulations daily added to it, had become inconveniently large, will I have reason to think prove a valuable part of the Company's property. The process of stamping was altogether inadequate to the production of ore in sufficient quantity, and after some consideration, and several experiments, we succeeded by a few slight alterations in the crusher, in reducing them to a state sufficiently fine to admit of their being washed up to a point fit for market.

The old piles of ore having been already cleared away from the surface, the whole force of dressers will now be put to this pile of skimpings, and there is reason to hope that between the present time and the opening of the navigation, a quantity of from 400 to 500 tons of ore will be ready to go forward to market from this source alone.

The quantity of ore shipped from the Mine during the present year has been

196 tons which wintered in the Welland Canal, on board the schooner *Sinbad*.

65 tons produced from skimpings last winter.

234 tons produced during the past summer.

and 250 tons now on board the schooner *Sorel*.

The high value of copper ores in the English market has been greatly in favour of the Mine this year, and if maintained, will be of important advantage next season.

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From various experiments made in the most careful manner during the past season by Mr. Borron, we have ascertained the actual cost of getting out ore, which is as follows:—

FOR ONE FATHOM OF ORE GROUND.

Cost of opening ground by shafts and levels, supposing only one half to be worth working,	£3 10 0
Drainage by horse power,	0 10 0
Mining, including timber work,	6 10 0
Laboring ore to surface, 12 tons,	0 15 0
Spalling, picking and preparing for crusher,	1 0 0
Tramming to crusher,	0 8 0
Crushing and dressing, including expense of engine, and wear and tear of machinery,	2 10 0
Wages of men, say Mining Captain, carpenter, blacksmith, watchmen, &c. &c.	1 0 0
Materials, say ropes, iron, nails, lumber, &c. &c.	1 7 0
Management, direction, &c. &c.	1 0 0
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or about £15 for ground already laid open.

If the fathom of ground contained, as the Stockholders have always been led to believe from 2½ to 4 tons of ore, there would be a very large profit on the operation, as the net proceeds of this year's shipments average fully £12 10s. per ton, at the Mine; but I regret to say, that the reports relative to the richness of the Mine have been greatly exaggerated, and though the actual yield at present will do something more than pay expences, it will not give a profit equal to what the large amount already expended on the Mine would lead the Stockholders to expect.

It is satisfactory to know, however, with certainty, that our opera-

tions are now carried on without any loss, and even with some amount of profit, and though I am by no means desirous of raising hopes in the minds of Stockholders which may never be realised, I cannot help entertaining the belief, that the Company has already seen its worst days, and that better prospects remain in store.

I am led to this belief, from the fact, that the ore produced from the Mine is of superior quality, and commands a higher price in the Swansea market according to its per centage, than any other ores sold there, and that the attention of Mining Companies is now directed to our location,—two several applications having been made this year, to know if the Company was disposed to sell the Mine.

The portion of the location not worked by this Company has recently been leased on favourable terms to an English Company who propose commencing operations next season. And as there is no reason to anticipate that any further calls than those already made will be required from the Stockholders, it is to be hoped that the affairs of the Company will soon, to some extent, recover from the depression which has hitherto weighed them down.

When I had the honor of laying before you in the month of June last, a report of my first visit to the Bruce Mine, I was careful not to introduce into it any thing of an individual or personal nature, nor did I allude in condemnatory terms to any special period of past management, but confined myself to a bare statement of what I saw,—what I was told by parties there, able to give me correct information,—and the plans I proposed to adopt for the future.

That Report subsequent experience has proved to be entirely correct, both in its facts and opinions, and if I had to write it anew I would scarcely alter a word in it.

I did not therefore expect that any one connected with the former management of the Mine would have seen it necessary to endeavour to

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prove that he was not answerable for the many blunders perpetrated, but as Mr. A. H. Campbell the late Manager of the Mine and now Cashier in Montreal of the Commercial Bank, has come forward with a most Quixotic defence, I imagine he must have found the cap to fit him pretty closely, otherwise he would not have been so ready to put it on.

I regret for his own sake the course he has adopted. In the situation he now holds (and which he doubtless obtained as a reward for his *successful management* of the Mine) it would have been a wise discretion in him to have let the subject drop, as I do not imagine either his letter, or the discussion of this subject, will tend to increase the confidence of the stockholders of the Bank, in his ability or prudence to manage its affairs.

I must at the same time say that though I have been advised to reply to the epistle he has lately sent me, neither my time nor my inclination will permit me to notice any thing further he may write on this subject.

The information communicated to me by him, of which he boasts so much, was confined to a plan of pumping the Mine by connecting the steam engine with the pumps, on a system of flat rods extending over a distance of nearly half a mile; but happening afterwards to be accidentally looking over one of his own letters written to the Directors from the Mine, I noticed that Mr. Vivian, the engineer who came from England with the engine and pumps, had declared they could not be successfully worked in the manner proposed. Now, though Mr. Campbell wrote very disparagingly of Mr. Vivian in other respects, he admitted he knew a good deal about engineering, and I thought it under the circumstances the safest plan to pause before I put the Company to any further expence in carrying out a scheme of which to say the least of it, the success was by no means certain.

I am not aware that I either asked or obtained any other information from Mr. Campbell, and as I neither used his plan nor intend to adopt it, my management is not likely to be much benefitted by any assistance from him, but if the rest of the information he possesses, is not of greater value than this, I should judge it to be small indeed.

While I admit, that never before having been at the Mine nor bred a Miner, I was ignorant of the practical details of that business, I cannot see the advantage Mr. Campbell had over me in that respect, whose education was probably as remote from the subject as mine was; but under any circumstances he was about the last man to whom I would have applied for instruction,—a man the whole period of whose management was specially marked by extravagance and folly, —who commenced his career with the Mine comparatively free of debt, —spent nearly £100,000 of money in four years,—and left it owing little short of £30,000. If I had applied to him at all it would have been to know what course he followed in order that that course might in future be avoided.

It is a lamentable instance of ignorance on the part of Mr. Campbell that he should not have been aware before building the houses on the Mining location that the rise and fall of the waters of the Lake is periodical, and to some extent regular; this fact he does not seem even yet to be aware of, as he talks in the most childish manner about his inability to control the elements, as if the phenomenon was unprecedented or extraordinary.

If it was not for his inordinate vanity, he would at once confess that the houses were placed where they are, because he did not know anything at all about the nature of the Lakes.

The distance between the present row of houses, and the next to them in rear behind the store, is exactly 83 feet, and the distance between McGill Street and the Place d'Armes is about 1400 feet—an

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extent greater than the whole settlement covers in the direction alluded to. Mr. Campbell states the two distances to be identical, and from this fact the Stockholders will be able to judge what confidence can be placed in the general correctness of his assertions which are characterised rather by boldness than accuracy.

The description of the state of the beach as given by me, Mr. Campbell asserts is hyperbolic, but in the succeeding pages, he himself proves its entire truthfulness, by his attempts to explain why the various articles enumerated are there. If anything further is required to satisfy your minds on this point, I would refer you to the expence incurred in collecting and storing away the property, in order to prevent its total destruction,—to the fact, that about fifty tons of coals were this summer recovered out of the Lake and used in the Engine House, and to the following documents :—

“ MONTREAL, 21st Sept., 1852.

“ DEAR SIR,

“ I have read the paragraph in your Report relative to the state of the beach at the Bruce Mines, at the period of our visit in June last, and have no hesitation in testifying to its general correctness.

(Signed) W. R. FALCONER.”

“ Hugh Allan, Esq.”

Extract of a letter from Mr. Borron :—

“ I have received two copies of your Report of your visit here in June, and distinctly state, that with one or two trifling exceptions of no moment whatever, it is a correct account of matters as they appeared at the period of your visit.

“ E. B. BORRON.”

“ Hugh Allan, Esq.”

It is not my intention to follow Mr. Campbell into a discussion on the merits of different Jigging machines, of which I do not know much, and he probably as little, but I confess I am surprised at the Cashier of a Bank declaring, that it is impossible with a “ Regular set of Books” to keep any check on accounts at the Mine, and giving a preference to a

system which has no merit that I can see but that of mystifying every transaction, and placing the business in such a state, that no man can know any thing about it from an examination of the Books. Every Accountant who has looked into the system which Mr. Campbell eulogises so greatly, has given it an unqualified condemnation, and my own observation leads me to think that it was devised at first (I know not by whom), for the purpose of preventing the stockholders from knowing any thing about their affairs. Such headings in a Ledger as "Sundry Persons," "Sundry Invoices," "Servants," &c. &c., are not very explanatory in themselves and the manner of making the entries was still less so. As no personal accounts were kept, any man in the Company's employ might have been greatly overpaid, and the Books not show it. The system on which the Store was conducted left it in the power of the Manager to put to the Merchandise account any item which it was not desirable to bring prominently forward, and notwithstanding Mr. Campbell's disapproval, so long as I have any control over it, a regular set of Books will be kept at the Mine and in the office here also.

The sneering manner in which he talks of Mr. Borron's want of experience in copper mining comes with exceeding bad grace from Mr. Campbell. What did he know of copper or any other kind of mining when he undertook the management of the Bruce Mine? During the time he was copying law papers in Edinburgh, Mr. Borron, who is a regularly bred miner was learning his profession at Leadhills,—that profession he has continued to follow till the present day, and has had experience of mining in other countries than Scotland, and it says but little for the wisdom of a man, whose knowledge of the subject is at best but empirical, to talk disparagingly of one whose profession it is, and who as a professional man stands high in the esteem, not only of the directors of this Company, but of all his previous employers.

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It is amusing to read Mr. Campbell's remarks on the subject of working the Mine on the Tribute system. According to his own account he was four years there and during all that time he never could carry it into effect, but if he had remained there he would have done so this spring! I will venture an opinion that if he had been there this spring he would have been as far from it as ever, and matters would have gone on just as before, but it is fortunate for the stockholders that he is not there.

I do not assert that the Bruce Mine will become a wonderfully paying concern now, or at any future time, but I do say that if an earnest desire and a determination on the part of those now in the management to exert every energy can effect it, these are not and will not be wanting, and at any rate the system of Tribute adopted, and now successfully working under Mr. Borron's good management, will prevent any loss to the Company. The change, as I have before said, was not effected without many and great difficulties, but these were fairly met and overcome, and if once the financial condition of the Company was on a better footing, we would hope for a more favourable state of affairs.

Mr. Campbell is anxious to draw the attention of the Stockholders to the subject of the first Engine House which fell down in spring of 1849, (having been built of stone during the previous winter.) and he is careful to say, that it was built under the sole supervision and direction of Mr. Vivian, the Engineer who came out from England with the Steam Engine.

In order to gratify Mr. Campbell, I have looked into this matter a little, and I think, I can easily convince the Stockholders that he alone was the responsible person, and not Mr. Vivian, and therefore that the "interesting relic" is a monument recording the fate of one of his own undertakings, and may indeed serve appropriately for the whole.

The Engine arrived at the Mine early in October, and Mr. Campbell left Montreal on the 26th October, 1848.

The following is an extract from the letter addressed to him on his leaving Montreal, by the Hon. G. Moffatt, then President of the Company, dated 25th October, 1848.

"The more I reflect on what I latterly saw, and have since heard of Mr. Vivian the less I am disposed to confide in his management, and *I would confine his authority to the mere working of the Engine*—at all events until you are satisfied from your own observation that it may be prudently enlarged. He may consider this an interference with him, and be disposed to resist it, but he must be managed and controlled until he is better acquainted with the character and the manner of doing things in this country, or his English notions will entail upon us much unnecessary expence."

Nothing could show more plainly than this, that Mr. Campbell was clothed with full power over Mr. Vivian, more especially in regard to the building, lest Mr. Vivian's ignorance of the climate, might (by building during winter) entail unnecessary expence on the Company,—and Mr. Campbell's subsequent letters shew that he did exercise the authority thus confided in him.

It is to be observed also, that after Mr. Campbell went up, all letters from the Directors were addressed to him only, and he alone corresponded with them from the Mine thus clearly shewing that he was the only recognised Manager there.

On 11th November, 1848, he thus addresses the Directors:—

"From a paragraph in a letter, Mr. Robinson left here for me, I think it most fortunate that I came up. He says Mr. Vivian told me today he would never serve under Grenfield or any shopkeeper, and seems much disappointed he is not considered A. I. here. In connection with this Mr. Vivian showed me a note Mr. Robinson had written to him, and which *I at once confirmed, stating that his engagement was as Engineer only.*"

And in the same letter:—

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" I had a long conversation with Mr. Vivian yesterday relating to the machinery &c., and I have come to the conclusion to allow the shaft and adit to go on, at all events for the present. My reasons are as follows."

The above shows very clearly, that as soon as Mr. Campbell went to the Mine he assumed and exercised entire control, not only over Mr. Vivian himself but also over the building and engineering—this is confirmed by his letter of 20th December, wherein he says :—

" With the Engine House the progress is not rapid. *It has been very much hindered by the frost*, and although the men are not idle, when they cannot work out of doors, yet the walls do not advance much. The whole building (that is the Engine and Crusher House) is now on a level with the top of the roof of the Boiler House, above which it has to go about twenty feet. It would not take long to finish if we had some mild weather. I thought at one time it would be better to frame the upper part, but when *Mr. Grenfield and I* went over the timber, we found there would not be sufficient, so that it was better to continue taking advantage of such warm days as may come to get on with the stone. *What we should have done if there had been no stone at hand I cannot imagine.*"

Poor Mr. Vivian! no reference to him whatever respecting the building. " Mr. Grenfield and I " decide every thing without consulting him in any way, and yet Mr. Campbell pretends to say that Mr. Vivian alone is responsible for its melancholy fate !

But hear him again in his letter of 22d January :—

" The engine house gets on but slowly--there have not been more than six or seven feet built since I last wrote. The weather has been very severe--*the Thermometer 24° below zero*---there are consequently nearly fourteen feet still to build which with mild weather could be done in little more than a week and *we have now the prospect of soon getting at it again.*"

" As I wrote you, *I had some thoughts* of having the upper part of the house made of Timber, but on enquiry I found there was not sufficient for the purpose.

" Mr. Vivian proposed to build a reservoir on the hill about half way between the engine house and the Mine for the purpose of filling the boilers, *but upon this I at once put a veto*" &c. &c. &c.

Poor Mr. Vivian again!—snubbed on every hand—he is not allowed even to manage the engineering department, in which, as we have seen, he was specially confirmed, and much less was he permitted to interfere with the buildings.

But attend to Mr. Campbell's letter of 19th February :—

“ I am sorry to say we have been most miserably disappointed in the weather.--- When I last wrote we had good prospects of its continuing mild for some time, but the thaw lasted only one day, and since then it has been an almost constant succession of snow storms and the severest frost---This morning when the men went to work *the Thermometer was 38°, and on Friday last 41° below zero ! In such cold it is impossible to do any thing, and we have only had one entire day for building, but by taking advantage of every hour the men could stand to it, we have got the walls to the top of the window frames all round.*”

On the 27th of February a thaw set in and the whole building, as might have been expected, tumbled down about their ears ! After reading the above extracts, it must astonish every one to read the following paragraph at page 19 of Mr. Campbell's pamphlet :—

“ This house was built under the sole supervision and direction of Mr. Vivian, the engineer from England and who considered himself irresponsible, save to the Directors for his acts. I was at the Mines during that winter, and know that he frequently refused to obey the wishes or attend to the advice of the Superintendent, but as I had merely been sent up for a special object I had no real power over him, and I am happy to say no responsibility in the matter.”

Comment on the above seems quite unnecessary, but I cannot help thinking that Mr. Campbell owes an apology to Mr. Vivian, the more particularly as I have been unable to find in his voluminous correspondence a single sentence condemnatory of that Gentleman's proceedings respecting the building ; but on the contrary, he appeared to take credit just as he does in the extracts which I have given for his energy and perseverance in carrying on the work in such unfavourable weather.

I could give many other instances of Mr. Campbell's great regard for

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the interests of the Company, as well as the universal genius with which he imagines himself endowed, but as this letter is already too long I will content myself with the following, which lest he should say it was communicated to me by some other worshipper of the "rising sun," I will at once state was told to me by his friend Mr. Cockburn, the late secretary, in presence of Mr. Falconer and Mr. Borron.

It appears that seeing the necessity of having a vessel of some sort about the Mines to convey supplies to and fro, Mr. Campbell imagined he could both build and sail a vessel cheaper than men whose business it was to do so. Whether it was this, or an itching to display his genius in naval architecture, as well as in Stone masonry, at the cost of others, I know not, but he resolved in his wisdom that he would build a vessel at the Mines. A gentleman of less genius would have gone to Mackinaw or somewhere else where there were regularly established shipyards and got one built by a person who understood it, at a reasonable price,—but Mr. Campbell, as usual, acted differently.

He built the vessel at the Mines and in due time she was launched, but alas! for human shortsightedness,—she had a most unaccountable tendency to upset and it was at the peril of a ducking in the Lake that any person could stand on her gunwale. The men consequently named her, very happily, the "Wilful Murder", and after various unsuccessful attempts to cure her of her evil propensities, she was quietly hauled round to a bay above the smelting works where she remains to this day an other "interesting relic" of the wisdom of a man attempting what he does not understand. I visited her out of curiosity after I heard the story, but whether she was intended as a pleasure yacht or a hay-scow, I cannot pretend to say, though from what I was told I fear she cost the Company dear, and yet as might be expected, the Books do not shew it.

Determined, however, to have a vessel of some sort belonging to the

Mine, Mr. Campbell, disgusted apparently with shipbuilding, was now determined to be right but went as far wrong in the other direction. He ordered a *Whale boat, coppered and copper fastened*, with all her appertenances, from Boston ! Whether he had in view the catching of whales in the Lake or not, I leave others to judge, but such is the fact, that the boat was procured, and is there yet to speak for herself. Mr. Cockburn stated that it was brought up by Railroad and Steamer from Boston, and cost, delivered at the Mines with her fittings, the trifling sum of *one hundred and seventy-five pounds*, and that so far as he knew she had never done anything but convey Mr. Campbell once, on a trip to Lake Superior.

The boat, however good she may be for whaling purposes, is by no means well fitted for use on the Lake, and a much better in every respect could be procured at Mackinaw for £12 10s.

I cannot take time to specify the particulars of his *brick making speculation*, but, it will suffice to say, that after crediting all the bricks made by him at the cost of importing them from Detroit, there remains a balance at the Dr of the account in the Company's books of about £450.

As a fitting conclusion to this Letter, I subjoin an extract from Mr. Campbell's last Report, shewing that besides being a Miner, Engineer, House Architect, Naval Architect, and Brickmaker, he is also a prose-poet of considerable pretensions and indulges occasionally in extraordinary flights of fancy.

"The course I recommend is the only one which can make the Mine pay, but it done I firmly believe, that you might count on a clear profit of £8 a month for every man employed under ground. I would also remind the Board that if it is not done this winter, stoping, to any paying extent, cannot be carried on next summer, and in the fall of 1852, the prospects of the Company will be even more gloomy than they are at present,—the cloud which now obscures the sun and appears ready to burst, will be thicker and heavier from being sur-charged with another year's

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fruitless expenditure, while another period of hope long deferred, will have tended more and more to sicken the hearts of the Stockholders, and turn disappointment to despair."

The Directors authorised the carrying out of Mr. Campbell's plans as far as practicable, but the profit of £8 per man was not made, and when the cloud does burst which obscures the sun, it will be in quite another part of the heavens, and from very different causes than what he anticipated.

I have the honour to be
Gentlemen,

Your most obt. serv.

HUGH ALLAN,
President."