



THE SUMPTER MINER

REORGANIZATION PLAN FOR THE RED BOY CO.

Alexander Prussing, of Chicago, And E. J. Godfrey Submit Most Feasible Proposition.

Some days since circulars were received here by Red Boy stockholders from G. H. Sherwood et al. of Philadelphia, suggesting that they contribute voluntarily an assessment of one cent a share on the stock held, to raise a fund of \$30,000 with which to fight in the courts the sale of the property. These people hold something over 100,000 shares of stock, bought at a high price from the Benson holdings, through M. A. Butler. Interested parties here say the plan is ill conceived, that instead of spending this sum of money in useless legal expense, if two cents a share should be paid, enough money would be raised to pay off the indebtedness of the company.

Today J. A. Howard received from Alexander Prussing, Chicago, what seems to be a far better plan for solving this knotty, unpleasant problem. He says in part:

"The court has ordered that no bids under \$80,000 will be considered. It is estimated that \$100,000 will be required for development. It is difficult, of course, to estimate the amount of money which will be contributed by the stockholders, but after consultation with a number of those most heavily interested I have arrived at the plan which I believe to be the most satisfactory to all concerned. I am forming a syndicate that will raise sufficient money to enable us to purchase the property and provide the necessary development fund to once more place the Red Boy in the dividend paying class. If the sum of money paid in by the subscribers is more than the amount needed, the excess will be returned to them. When this syndicate secures possession of the property, a new company will be formed in which each member of the syndicate will receive stock in the exact ratio of his individual subscription to the total amount of the syndicate fund. In other words, a subscriber will be represented in the new company dollar for dollar in the same proportion as every other one, no matter what the amount subscribed, the object being to give the smallest stockholder of the old company the

same opportunity of protecting his interest as will be had by the largest.

"Should the syndicate succeed in buying in this splendid property at a price which leaves \$100,000 for development, it will readily be seen that treasury stock in the new company will easily bring from two to three times as much per share as was the cost of the stock to the members of this syndicate and that investors will gladly purchase it at advanced prices as soon as the mine is again operating."

Accompanying this proposition is a circular letter from E. J. Godfrey, dated at Chicago, March 30, which reads as follows:

"As the largest individual holder (having 800,000 of the 2,500,000 shares issued) of stock in the company and having been identified with the Red Boy mine since its earliest days, when as a prospect I took charge of the property, I wish to make a statement which will fully explain the reason for the sending of the enclosed letter by Mr. Prussing.

"When Mr. Tabor and I first went into partnership the mine was in its infancy and as its mining manager, I developed it into the best paying property of the section, producing from it nearly \$800,000 in the years before its consolidation with the Concord property.

"During this time there was expended in development, the purchase of timber lands, water rights, water power, the magnificently equipped hoisting and reduction plants the sum of \$500,000.

"The merging of the Red Boy, a producing mine, with the Concord group of non producing claims under the then existing conditions was the logical outcome of a plan to increase its size and productivity, but the cupidity of some of those who joined in the consolidation was primarily the cause of the present state of affairs.

"The corporation in which you are a stockholder undertook what would have been a successful venture, namely the raising of money for the sinking of the main shaft and the development of the water power, if all

the interested parties had supported the management. This was not done and in consequence of the flotation of large blocks of stock by holders who had agreed to retain it, sales of treasury stock were insufficient to carry out the plans which were to make the consolidated properties the greatest mine on the coast.

"At the time of the consolidation the Red Boy mine had reached a point in its development where the ore reserves could not be kept up to mill requirements without going through and below the broken zone out in the lower level. It was therefore imperative to spend a large sum for the sinking of the main shaft. Mr. Tabor and I had spent our money in necessary improvements, but could not meet this extraordinary expense. Then the consolidation was effected, the raising of money by sales of treasury stock, although seemingly assured, failed for the reason above stated.

"Water power and other developments were begun but when returns from treasury stock sales diminished it became apparent that there was no use in continuing operations.

"Every dollar of the indebtedness was expended in and about the mine and water power.

"The conditions now are such that the proper outlay of \$100,000 in the mine should make it again a strong producer and a source of pride and satisfaction to its owners. The water rights alone are a valuable asset, worth more than the total investment needed to redeem the mine.

"I have put years of toil and much money into this property and hope to be identified with it in the future. I feel that there can be but one outcome in further exploitation of this wonderful mine and hope that you will join me to the end that there may be a successful issue.

"There is no desire to deprive anyone of rights or property and the investment made now to protect your interest will increase it proportionately, because the valuation will be based on a low figure.

"Outside investors stand ready to furnish the money needed to enable us to equal any bid which may be made. These outside investors are to receive the same consideration as is given stockholders.

"You will have to and including the 25th day of April, 1904, to send your remittance to Alexander Prussing, trustee, 138 Washington street. Do not delay, for after that date the subscriptions of non-stockholders will be pro rated."

Will Open Assay Office.

C. F. Rabb, who formerly ran an assay office in Sumpter, was up from Baker City today between trains. He says he is going to establish an assay office at some point in the district, but has not decided yet where it will be.

DEAL ON FOR THE SALE OF AURORA

W. H. Mead, superintendent of the Gladstone, returned this morning from Spokane, where he has spent the time since December, when the property closed down on account of snow.

Mr. Mead will go out to the Greenhorns in a day or so and get things in shape for resuming work when the snow leaves sufficiently to permit. Extensive development is planned for the coming season.

Mr. Mead says there is a deal on for the Aurora, owned by the same people. A Seattle firm has practically closed negotiations for its purchase. The deed is now in escrow, and he thinks the transaction will doubtless be closed. He did not mention the consideration or the terms of the contract.

LITTLE CRACKER ELECTS OFFICERS

The Little Cracker Mining company held its annual stockholders meeting this morning at the company's office in Sumpter, and elected the following officers and directors for the ensuing year:

President, A. K. McDonald, of Duluth; vice president, E. Butze, Sr., of Sumpter; secretary and treasurer, Don L. Willard, of Sumpter. The directorate comprises the above officers and S. B. Hill, of Duluth, and Andrew Gown, of Duluth.

There was represented 358,500 shares of the capital stock at the meeting. It is stated that work will be resumed at the property as soon as the snow has sufficiently gone to permit.

INVENTED IMPORTANT MINING DEVICE.

W. M. McCalley, former millwright at the North Pole, went to Portland today in the interest of a mining device which he has invented. Mr. McCalley has made a rough model of the apparatus, but intends having a more perfect model made in Portland to forward to the department for the purpose of securing a patent.

He will not make known the nature of his invention, but states that it is of importance to the mining industry. He will forward the model as soon as possible, that the patent may be issued.