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## GOLGONDA DEAL AT LAST CLOSED

**"PENDLETON, ORE., FEB. 20.—GOLGONDA DEAL CONSUMMATED. STOCKHOLDERS WILL BE FULLY PROTECTED. RESUMPTION IMMEDIATELY.**

**"JAMES A. HOWARD."**

The above special dispatch, delayed in transmission, was received yesterday evening, too late for publication in the regular edition of *The Miner*. The message, however, was bulletined, and created a feeling of immense satisfaction in local mining circles.

The general public of this district is familiar with the history of the Golconda and with the various phases of the recent negotiations, which, during recent months, have been pending for its reorganization. The property, since the sensational failure of C. B. Wade, of Pendleton, president of the corporation, has been the grand prize for which a number of wealthy capitalists and syndicates have striven. The old board of directors, however, stood firm despite the tremendous financial crash which involved the fortunes of their chief executive officer, and positively refused to transfer control of the property without receiving assurance that the interests of all of the stockholders, the big fellows and the little fellows, majority and minority—were fully protected.

Many plans for a reorganization of the old company were submitted. Secretary Beckwith evolved an assessment scheme, which he later abandoned in favor of a bonding plan. The popular idea that the bonding plan originated with Alexander Prussing, of Chicago, trustee for minority stockholders, is incorrect. Mr. Prussing did submit a \$75,000 bonding scheme, but only after the details of a similar plan had been worked out by Secretary Beckwith and negotiations had been opened with San Francisco and Portland capitalist. Mr. Prussing's plan was voted down by the directors and it was then that the Chicago man, acting through H. T. Hendryx, of Sumpter, appealed to the federal court for an injunction. For a time it appeared that a deadlock would result, with Prussing holding the key to the situation. However, all parties finally got together and when, after a receiver had been appointed, a Portland and San Francisco syndicate offered to buy control, the proposition was promptly accepted.

This speedy consummation of the deal was brought about through the appointment of John Vert, of Pendleton, as receiver, who, while fully empowered by law to accept the bond syndicate's offer, without consultation with other officers of the company, nevertheless submitted the plan to the directors for sub-official ratification.

The \$90,000, derived from the sale of bonds, is to be used to pay off all the indebtedness against the mine, amounting approximately \$36,000, and the remainder is for development and operative expenses solely. It is undoubted that a working fund of \$54,000 will, if outlayed by a competent mining man, result in placing the Golconda high on the list of great western gold mines.

On February 9, two representatives of the Golconda bond buying syndicate, arrived in Sumpter, and under the guidance of General Manager Howard, visited the mine. H. H. McCarthy, of Portland, represented the westfoot end of the syndicate, and L. E. Norton was the accredited minister of the California contingent. The visit to the mine of these gentlemen was merely to cursorily glance over physical conditions, they having already received expert reports on the property from some of the most eminent mining engineers in the west. Their visit resulted in the consummation of the bond sale, as announced in the above dispatch.

General Manager Howard is the chief gainer from the transaction. Personally and as trustee, he holds a \$30,000 mortgage against the mine, which will be immediately paid.

The always-interesting history of the Golconda mine has been sensationally brilliant—in spots. It was first discovered in 1887. For ten years little work was done on the claim. It was known to be an extension of the great mother lode, but surface values did not command wide attention. Joseph G. and John T. English, of Danville, Illinois, father and son, purchased the property in 1897 for \$35,000, there being but 250 feet of development done at that time. The prospector's tunnel was continued into the hill, developing the two big ledges shown on the surface. The east vein proved to be from 20 to 30 feet wide, while the west vein, only about 80 feet distant on the surface, averaged from

8 to 13 feet. A shaft was sunk, cutting the east vein at 100 feet. From this shaft a 90-foot tunnel was run to the west vein, which was drifted on 30 feet to the north and 220 feet to the south. Fair values were found in this south drift.

The shaft was continued to the 200-foot level. A drift was run to the west vein on this level, but no drifting was done on the ledge, but a south drift was made on the big east vein on this level. Forty feet from the commencement of the drift, it was found that two ledges converged. Marvelously rich ore began there. Two drifts were run on these ledges for 120 feet south, where they came together again. Around this ellipse of argillite was deposited on either side several feet of ore of such marvelous richness that it astounded the mining world. Everything between the walls was literally plastered and permeated with gold, and it is reported on the best authority that more than \$100,000 in gold was taken from this lens of ore within a few weeks. All of this rich ore was shipped for treatment, and a great deal of it went directly to the refinery at San Francisco. So rich in gold was it, indeed, that it seemed that nature had forgotten her sillies in mixing the charge for this rich vein.

It is reported by Mr. English, Sr., that specimen ore to the value of \$50,000 was taken and carried away by miners and visitors before its real value became known; and this can well be believed, since there is scarcely a cabinet of free gold ores in the United States that is not adorned with ore from the Golconda among its richest specimens. It is further said, that after the fabulous richness of this ore shoot had become fully known, it was necessary to station guards, day and night, over the extracted ore, pending shipment. It is a well-known fact that average assays taken from this lens of ore often ran from \$5,000 to \$20,000 per ton, while picked samples and specimens assayed hundreds of thousands of dollars per ton. Many samples were almost pure gold.

While searching for this rich shipping ore, large bodies of lower-grade milling ore were disclosed, and this justified and finally led to the erection of a quartz mill. One of the largest and most substantial mill buildings in the district was constructed, and in it was installed a 20-stamp mill, fitted with plates and all modern improvements and appurtenances, including 18 Johnson concentrators for saving the values in the rich metallic ores. A five-foot Bryan mill was also put in and used by the old company for handling the very rich free-gold ores. This mill produced something more than \$100,000 in gold during the brief period it was operated by Messrs. English & Son. Development and exploitation were continued upon the property

until there are now upward of 5,000 feet of working shafts, tunnels, winzes, cross-outs and up-raises in the ground.

While no definite date has been set for resumption of operations, it is believed that active work will begin as soon as the necessary legal formalities are observed by the receiver.

Messrs. McCarthy and Norton returned to Sumpter this morning. They confirmed the facts outlined in Mr. Howard's dispatch to the *Miner*.

H. T. Hendryx, who represents Mr. Prussing, was also the recipient last evening of a dispatch from Mr. Howard, similar in import to the one received by *The Miner*. Mr. Hendryx, when seen this morning by a reporter, gave a different explanation of the deal consummated. He said:

"Messrs. Norton & McCarthy, representing San Francisco and Portland capitalists, have purchased all the claims against the Golconda mine, as well as many shares of stock, representing the control hitherto held by the Pendleton officers of the company. No bonds have been issued. Cash was paid to the mortgage holders, and assignment thereof was made. Mr. Norton tells me that bonds may be issued later on, if the company, which is now controlled by him and his associates, feel that they need more money."

### First Spring Chorus of Robins.

Fred Northrup says and avers that he is willing to make oath to the statement, that he was awakened this morning by the first glad song of a robin chorus. Fearing that he might be dreaming, he arose at once, went to his door and saw the red-breast birds, and stood there listening, enthralled by their music. He further declares that he had imbibed nothing stronger than the milk he sells to well pleased customers, and he knows that his thick tank, his ears and his eyes were all in working order. He waves his arm around and calls on the balmy atmosphere, the bright sunshine, the melting snow as testimony corroborating his story.

Eight men, under Superintendent M. H. Butler, are developing the Mattoon company's property in the Pocahontas district, with flattering success.

Two ore shoots, 8 and 6 feet wide, have been exploited by a 200-foot drift at the property of the Square Deal Gold Mines company, at Malheur City.

It is reported that the milling capacity of the Black Butte mine, in Grant county, will be doubled in the spring. The property is making an exceptional showing.

An important strike was made last week on a quartz vein uncovered on the old Mike Asher placer diggings, at Pocahontas. Samples assay \$1000 per ton in free gold.