

## MISCELLANEOUS.

Written for this Paper.

## VICTOR GOLD MINE.

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CRIPPLE CREEK, August 6, 1896.



**THREE YEARS** ago it was a hole in the side of the hill! Now it is one of the most famous of the Cripple Creek gold mines, and the report comes

from New York that fifty-one per cent of its stock has just been sold to a French syndicate for \$732,250. The same syndicate bought the other forty-nine per cent three years ago for \$450,000. It now owns the whole mine, and it has paid for it the enormous sum of more than one million dollars. This is the story of the Victor mine, which has for more than two years paid a monthly dividend of \$20,000, or two per cent a month on a capitalization of \$1,000,000. Enough gold is in sight to keep the miners busy at the present rate for more than two years, and it will probably pay dividends for years to come. The stock is owned, it is said, by French farmers and market gardeners, who are operating through a Paris house, and who are enthusiastic over the dividends which they have already received.

And still the Victor mine cost Moffat and Smith, the Colorado millionaires, who developed it, only \$5,000, and they have until this last sale been getting one-half of its enormous dividends. Dave Moffat is Colorado's biggest millionaire. Eben Smith, his mining partner, is also a millionaire. He is said to be the most expert judge of mines in the west. He was riding over the mountain above Cripple Creek about four years ago when he passed that "hole in the ground." Two inexperienced miners were working at it. They stopped Smith and asked him to come and look at their claim. He went over and crawled down into the hole. He inspected the rock and saw that it contained a fine vein of ore. He grunted a little as he got out, as though it did not amount to much, and upon the men saying that they would sell the mine for \$65,000, he laughed at them and went away. As soon as he returned to Leadville, however, he telegraphed his agents to find out whether the parties had a title to the mine and to buy it if they could. They did buy it, paying the owners \$5,000 cash, with an option on it for one year for \$65,000. This is the way many mines are bought. The understanding is that the purchaser shall at once put his men in to develop the mine, and all the gold taken out up to the amount of the option shall belong to the sellers. If in the course of some specified time, nine months or a year, he fails to take out that amount or fails to pay it, the mine with all the gold taken out, reverts to the original owners. The Victor mine paid for itself from the start. Within a month several thousand dollars' worth of gold paying ore had been sent to the smel-

ters, and long before the year was up Moffat and Smith, out of the proceeds of their ore had received back their \$5,000, had paid the \$60,000 additional, all the expenses of putting up their works and also some big dividends. They then capitalized the mine at a face value of \$1,000,000 and offered to sell the stock. This was along in about 1892, when the whole mine was offered by them for sale in New York for \$270,000. The New York capitalists, however, were afraid of it and it went begging. They continued to develop the mine, and later on they sold the first lot of stock at ninety per cent of its par value to the French syndicate, guaranteeing dividends for a limited time. Now they have sold the balance of the stock at twenty-five per cent above par, and have, as I have said, cleared nearly a million and a quarter of dollars in less than four years out of a single investment.

The above seems to be an easy way of making money. It represents, however, an enormous amount of labor, a fortune invested in machinery and the use of executive ability equal to that of managing a big manufacturing establishment. Some people seem to have the idea that all that is necessary to get gold, when you have found a mine, is to push a wheelbarrow up to the mountain and dig out the bullion with a pick. The truth is an enormous amount of work in connection with the discovery and development of every good mine. All over the hills about Cripple Creek you will see piles of earth. They look like new-made graves, and they are in many cases the graves of the disappointed hopes and expectations. They are the holes of unfortunate prospectors and the huts situated near them are in most instances the places which form the homes of prospectors who lived thus when they were trying to strike it rich. The whole region surrounding the Victor and other big mines of this Cripple Creek region is honeycombed with prospectors.

I rode to Cripple Creek through the Ute canyon via the Florence and Cripple Creek railroad. We wound in and out through gorges, the red granite walls of which rose straight up for hundreds of feet. Now and then these rocky walls seemed to almost touch the sky. A clear mountain river flowed through the canyon, and in these walls of rock and along the stream were little dugouts and rude huts. At places I saw caves in the rocks walled in with logs, and I was told that all of these places were the homes of men. Some of the huts are not big enough for a man to stand upright within them, and you could not stand in the center of any of them and swing the traditional cat. The roofs of the huts are flat. They are of logs, upon the top of which dirt has been thrown in order to keep out the rain, while around the foundations dirt has been piled up as a protection from the cold.

It was in such houses that the Cripple Creek prospectors first lived and such a home was probably that of the original discoverers of the Victor. You have all heard the story of how the Cripple Creek mining camp originated in a cow pasture and how last year

more than \$3,000,000 worth of gold was taken out of the ground upon which five years ago cattle grazed. You have heard that the country looks like a farm today, and that it would not be strangely out of place if it were dropped down in some parts of Pennsylvania or New York. This is so in some respects, but far different in others. The country about the cow pasture is walled with mountains. It is more than a mile and a half above the sea. The Victor mine is on one of the mountains high above Cripple Creek, and all of its gold has been taken out at a level of more than two miles straight up in the air above New York, Boston or San Francisco.

Over this mountain the prospectors went digging here and there until at this point they saw what they considered good indications and staked out a mining claim. This was, according to government regulations, 300 feet wide and 1,500 feet long, comprising, all told, about ten acres of ground. They began to dig, and made a hole ten feet square. After a time they got so deep they could not throw the dirt out by hand and they rigged up a rude windlass and hauled the ore out with a bucket. They soon got tired of this, and, finding that the outlook was hardly so good as they hoped, they sold it to other miners on an option of \$50,000. These parties were working when Moffat's men offered them \$65,000, which they accepted, the first parties making their \$50,000 and they clearing \$15,000 out of the mine.

A description of my visit to the Victor mine will give you an idea of how they get the gold rock out of the earth. I asked Professor William Weston, a graduate of the Royal School of Mines of London and one of the best mining engineers of Colorado the other day as to this Cripple Creek region and how it came to have gold in it. He tells me that the territory is to a large extent volcanic. Said he:

"This is the way, I suppose, that the gold came here. Imagine a great basin of granite about six miles wide, and the Lord only knows how deep. This lay here on the top of the Rockies, when all at once, ages ago, there came a bang and a burst up. A volcano knocked a hole in the basin and a tremendous stream of lava of just about the color of cream flowed in. It filled up the basin and then got solid. Then ages followed and then there was another shake up, and this lava was cracked in every direction. Now, up through the cracks came steam and gas and hot water with gold and quartz in solution. This penetrated every break in the rocks and gold was deposited on the sides of the cracks in the lava. The quartz went with it, and the steaming quartz and gold forced its way into the pores of the lava nearest it, soaking into it like water in a sponge, and altering it into a rock full of quartz and gold.

"Sometimes there were two cracks running for half a mile or so parallel with one another and only a few feet apart. The gold fluid soaked from the cracks on each side into the lava rock between and filled its pores with quartz and gold. Such a combination is called a vein and the two cracks are the walls or the sides of the vein. It is not a true fissure vein of ore in the proper acceptance of the word, but it gives you in simple language an idea of the veins